

FINANCIAL RESULTS OF NISSAN MOTOR CO.,LTD

<FOR THE FISCAL YEAR ENDING MARCH 31, 2002>

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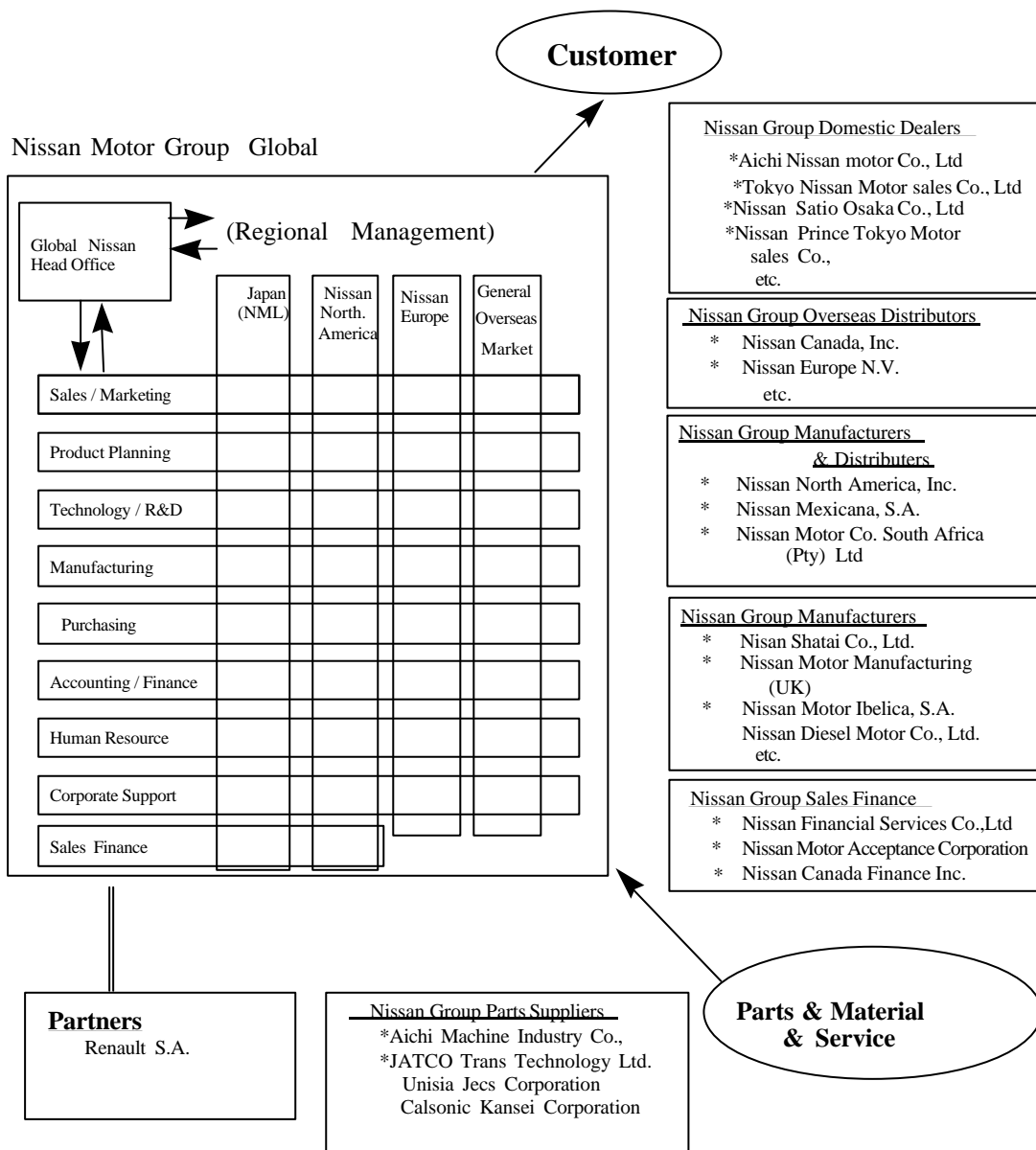
Please note that the year "2001," as used throughout this report ,refers to the fiscal year starting April 1,2001 and ending March 31,2002 .

1. The general situation of the corporate group

The Nissan group consists of Nissan Motor Co., Ltd. (the “Company”), subsidiaries, affiliates, and other associated companies. Its main business includes sales and production of vehicles and parts. As other divisions for products and services, the group has Industrial machinery division and marine division. And also the group is engaged in the various services accompanying its main business, such as logistics and sales finance.

The company established Global Nissan (GNX) as a global headquarters function which is to focus on utilizing regional activities by 4 Regional Management Committees and cross regional functions like R&D, Purchasing, Manufacturing, etc., and Global Nissan Group is composed of this matrix.

The corporate group structure is as follows:



* Consolidated Subsidiaries

? There are other associated companies; *Nissan Trading Co., Ltd., *Nissan Real Estate Development Co., Ltd. to support distribution and services.

? Our subsidiaries listed in stock exchange markets are follows.

Nissan Shatai Co., Ltd.---Tokyo, Osaka Aichi Machine Industry Co., Ltd.---Tokyo, Osaka, Nagoya

2. Nissan Revival Plan

Two years have passed since the beginning of the Nissan Revival Plan, and as the company closes its chapter on NRP one full year in advance; it opens a new chapter with the start of NISSAN 180. Fiscal year 2001 can be highlighted with the accomplishments of NRP, record profits, investments for the future, and finally the announcement of the early start of NISSAN 180.

Under NRP purchasing costs have been reduced by 20%, as the supplier base is down by 40% to 700 parts suppliers while service suppliers are down 60%. Nissan 3-3-3, a partnership fostered between Nissan's engineering and purchasing departments and our suppliers, contributed more than 40% of total purchasing cost reductions.

The plan to close five plants has been completed; capacity utilization rates have increased from an average of 51% before the start of NRP to the current 75% with a more streamlined platform organization. Nissan's domestic distribution network has been rationalized through merging selected subsidiary dealers for more efficiency, by selling others to independent dealers, or by management buyout, to enhance their entrepreneurship spirit.

At the end of fiscal year, global headcount stands at 125,100, down 22,900. This is more than the 21,000 announced in October 1999 and has been reached mostly by natural turnover, retirements, and pre-retirement programs but also by spinning off non-core businesses.

Research and development efficiency has also exceeded plan. Nissan achieved more than 25% efficiency improvement per vehicle program in less than two years, freeing up resources to support further development.

To help fuel investment for growth the company has sold non-core assets generating more than 530 billion yen in cash in two years. At the same time, these funds have been used to significantly reduce net automotive debt, which dropped 521.0 billion yen to 431.7 billion yen.

3. Nissan 180

NISSAN 180, unveiled on May 9, 2002, was designed to capitalize on NRP and complete the revival process of Nissan with an emphasis on profitable growth.

? The "1" stands for an additional one million unit sales worldwide by the end of FY 04, based on FY 01 figures.

? The "8" stands for an 8% operating margin which is intended to position Nissan at the top level of profitability in the global auto industry.

? The "0" stands for zero net automotive debt by the end of fiscal year 04 to regain the maximum financial flexibility enabling us to make sound investment decisions based on expected returns.

The achievement of NISSAN 180 will depend on four pillars:

1) More Revenue: The additional million units in sales will be broken down on a regional basis as follows: 300,000 in Japan, 300,000 in the United States, 100,000 in Europe and 300,000 in the general overseas markets. From our base of 2.6 million units in fiscal year 01, this represents a growth of nearly 40% in unit sales in three years

To support this growth, Nissan will launch 28 new products under NISSAN 180, with 12 coming to market in FY 2002. All of these products were conceived and developed under NRP.

2) Less Cost: Nissan has set clear targets for costs reductions in all areas including purchasing, manufacturing and logistic, distribution, indirect expenses, R&D as well as warranty and finance costs. Reduced costs coupled with increased revenue are critical to ensure lasting profitable growth.

3) More Quality and Speed: Quality of our products for our customers, quality of our management and speed will make the difference. We will continue to develop the Nissan Management Way built around cross-functional teams and a specific internal management program called Value-Up.

4) Maximized Alliance with Renault: Just as under NRP, the alliance with Renault will produce synergies that go beyond the performance that Nissan could achieve alone. The Alliance is key to the future growth and profitability of both Nissan and Renault. Beginning of March 2002, Renault exercised their warrants and increased their stake in Nissan to 44.4%. At the end of March 2002, Nissan acquired a 13.5% and will acquire an additional 1.5% stake in May, 2002.

The Alliance will continue to focus on three main areas during NISSAN 180. First, development of joint marketing and sales, and select common and joint manufacturing in markets such as Mexico, South America and North Africa. Second, generating more efficiency through selective commonization such as the B&C platforms and common powertrains. Third, an extensive exchange of best practices between the two companies.

Conclusion

With NRP concluding 1 year in advance through major achievements in fiscal year 2001, Nissan is now ready to grow. The new fiscal year 2002 opened under the banner of Nissan 180, a plan designed to take Nissan to a higher level of performance.

4. Fiscal Year 2001 Business Performance

Overall, Nissan sold 2,597,000 vehicles worldwide in fiscal year 2001, down slightly by 1.4% from fiscal year 2000. Looking at our performance on a half-year basis, the second half was stronger than the first half. Sales were down 3.6% year on year in the first half, but up 0.8% in the second half. This is due to the acceleration of product launches planned under NRP.

Japan: For fiscal year 2001, Nissan's domestic sales were down 2.6% to 714,000 units from the previous period but with market share up 0.1 point to 17.9%, marking a rise since 1998.

North America: Unit sales in the U.S. dropped 3.4% to 719,000 from the previous year. First half sales were down 14%; second half showed an increase of 9.4% with market share reaching 5% in the month of March driven by new product led by the new Altima.

Europe: Sales for fiscal year 2001 decreased 9.5% to 484,000 from the previous year. Europe's focus remains on rebuilding profitability, achieved at the operating level in fiscal year 2001.

General Overseas Market: In the general overseas market including Mexico, Nissan continued to build market presence in numerous countries as unit sales in all countries came to 620,000 for fiscal year 2001 up 8.5% from previous year.

Net sales

Consolidated net sales came to 6,196.2 billion yen, up 1.8% from last year. However, sales would have increased by 5.4% with consistent accounting methods and scope of consolidation. The company instituted a change this year in accordance with a new accounting standard for sales incentives which became effective the year ended March 31, 2002 in the United States with the deduction of C&I (contest and incentive) spending in the United States and Mexico directly from revenues rather than accounting for them as expense items. The scope of consolidation was reduced as the company spin-off of 18 affiliates, which had been fully consolidated the previous year.

Operating income

Nissan's net consolidated operating profit improved 68% from 290.3 billion yen in fiscal year 00 to a record 489.2 billion yen in fiscal year 01. As a percentage of net sales, the operating profit margin came to a record 7.9%. Reduction of purchasing costs generated 245 billion yen in improvements. Negative impacts of note include the fall in volume and mix which led to a negative impact of 71 billion yen, the increased costs from added features and regulatory pressures that led to a negative impact of 62 billion yen. As the yen weakened against both the dollar and the euro particularly in the second half, Nissan saw a positive impact from all foreign currencies of 147 billion yen for the full year.

Ordinary income

Non operating items included 20.4 billion yen for net financial costs as interest bearing debt declined swiftly and the company benefited from a more streamlined finance operation as well as lower borrowing costs. The company also charged 23.9 billion yen for the amortization pension obligations. Total ordinary profit rose 46.9% to 414.7 billion yen for the full fiscal year.

Net income before tax

Extraordinary items included a gain of 28.2 billion yen on the disposal of fixed assets. Nissan completed the sale of all marketable securities with a loss of 26.8 billion yen and a 26.0 billion yen loss on devaluation of investments. As a result, net income before taxes came to 364.2 billion yen.

Current taxes came to 87.4 billion yen, however the overall impact was positive due to the recognition of 102.1 billion yen in deferred taxes. As a result Nissan has recognized nearly all of its current deferred taxes. Minority interests in companies that we do not fully own represented a charge of 6.6 billion yen for fiscal year 2001 versus a charge 21.1 billion yen charge last year.

Net income

Bottom line, Nissan reported a consolidated net income after tax came to 372.3 billion yen, a 41.2 billion yen improvement compared to 331.1 billion yen for fiscal year 00. This is the best net result in the company's history.

Indebtedness

Net automotive debt decreased sharply, exceeding forecasts due to increased generation of cash from operations and the continued sale of non-core assets. Net automotive debt stood at 431.7 billion yen at the end of fiscal year 2001, down 521.0 billion yen from the same time last year.

Dividend

As a result of the improvement in its financial condition, Nissan's board of directors has decided to propose a 14% increase in its annual dividend from 7 to 8 yen per share at the next annual general shareholders' meeting in June 2002.

Consumer Finance Segment

Net sales for the retail finance operations increased 18.8% to 366.7 billion yen for fiscal year 2001. Operating profits for consumer finance operations came to 38.1 billion yen, up 10.5%. Net income for finance operation declined 24.2% to 22.4 billion yen for fiscal year 2001 due to recognition of higher tax expense.

5. Fiscal Year 2002 Financial Forecast

We have identified two risks for the year which include a strengthening of the yen to the U.S. dollar and a harsher competitive environment than the one we have planned for.

On the side of opportunities, we see potential for more favorable total industry volumes particularly in the U.S. But the biggest opportunity for Nissan in fiscal year 02 lies in the swift implementation of NISSAN 180.

In weighing these factors, we have the following forecast for fiscal year 2002 using a foreign exchange rate assumption for the year of 125 yen per dollar and 110 yen per euro.

Sales: 6.5 trillion yen

Operating profit: 553 billion yen, up 13.0% from FY 01 giving an operating margin of 8.5%.

Ordinary profit: 488 billion yen

Net income: 380 billion yen using a reasonable assumption for the effective tax impact

6. Policy of the reducing a share trading unit

On May 20, 2002, the Board of Directors of the company approved a resolution to reduce number of shares as one trading unit from one thousand (1,000) to one hundred (100) effective August 1, 2002 for the purpose of promoting share trading and expanding investors to the company's shares in the market.

7. CONSOLIDATED FINANCIAL STATEMENTS

1) Consolidated Statements of Income

(FY2001 and FY2000)

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

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

	FY2001	FY2000	Change	
			Amount	%
NET SALES	6,196,241	6,089,620	106,621	1.8%
COST OF SALES	4,547,314	4,634,039	(86,725)	
Gross profit before adjustment for income from installment sales	1,648,927	1,455,581	193,346	13.3%
ADJUSTMENT FOR INCOME FROM INSTALLMENT SALES	788	259	529	
Gross profit	1,649,715	1,455,840	193,875	13.3%
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,160,500	1,165,526	(5,026)	
Operating income	489,215	290,314	198,901	68.5%
NON-OPERATING INCOME	27,267	88,664	(61,397)	
Interest and dividends income	13,837	11,139	2,698	
Equity in earnings of unconsolidated subsidiaries & affiliates	921	9,239	(8,318)	
Other non-operating income	12,509	68,286	(55,777)	
NON-OPERATING EXPENSES	101,738	96,669	5,069	
Interest expense	34,267	42,241	(7,974)	
Amortization of net retirement benefit obligation at transition	23,925	24,729	(804)	
Other non-operating expenses	43,546	29,699	13,847	
Ordinary income	414,744	282,309	132,435	46.9%
EXTRAORDINARY GAINS	67,100	88,164	(21,064)	
EXTRAORDINARY LOSSES	117,628	80,775	36,853	
Income before income taxes and minority interests	364,216	289,698	74,518	25.7%
INCOME TAXES	87,446	68,105	19,341	
INCOME TAXES DEFERRED	(102,148)	(130,637)	28,489	
MINORITY INTEREST	6,656	21,155	(14,499)	
NET INCOME	372,262	331,075	41,187	12.4%

2) Consolidated Balance Sheets

as of Mar 31 2002 and Mar 31 2001

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

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

	as of Mar 31 2002	as of Mar 31 2001	Change
[ASSETS]			
CURRENT ASSETS	3,517,255	3,039,943	477,312
Cash on hand and in banks	280,289	288,970	(8,681)
Notes & accounts receivable	532,936	570,896	(37,960)
Finance receivables	1,716,024	1,185,568	530,456
Marketable securities	30	3,958	(3,928)
Inventories	534,051	559,088	(25,037)
Deferred tax assets	180,432	140,386	40,046
Other current assets	273,493	291,077	(17,584)
FIXED ASSETS	3,695,070	3,408,078	286,992
Property, plant and equipment	2,879,158	2,781,720	97,438
Intangible assets	38,934	36,358	2,576
Investment securities	399,113	312,896	86,217
Long-term loans receivable	15,591	43,182	(27,591)
Deferred tax assets	231,697	132,154	99,543
Other fixed assets	130,577	101,768	28,809
DEFERRED ASSETS			
Discounts on bonds	2,680	3,222	(542)
TOTAL ASSETS	7,215,005	6,451,243	763,762
[LIABILITIES]			
CURRENT LIABILITIES	3,008,015	3,110,806	(102,791)
Notes & accounts payable	611,311	600,936	10,375
Short-term borrowings	1,424,804	1,429,516	(4,712)
Deferred tax liabilities	16	387	(371)
Other current liabilities	971,884	1,079,967	(108,083)
LONG-TERM LIABILITIES	2,508,879	2,303,321	205,558
Bonds and debentures	796,158	699,436	96,722
Long-term borrowings	808,797	703,111	105,686
Deferred tax liabilities	209,414	169,768	39,646
Accrued warranty costs	160,938	154,557	6,381
Accrual for losses on business restructuring	49,591	74,531	(24,940)
Accrued retirement benefits	400,342	400,713	(371)
Other long-term liabilities	83,639	101,205	(17,566)
TOTAL LIABILITIES	5,516,894	5,414,127	102,767
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	77,289	79,177	(1,888)
[SHAREHOLDERS' EQUITY]			
COMMON STOCK	604,556	496,606	107,950
CAPITAL SURPLUS	803,212	690,262	112,950
RETAINED EARNINGS	430,751	87,626	343,125
UNREALIZED HOLDING GAIN ON SECURITIES	4,406	1,438	2,968
TRANSLATION ADJUSTMENTS	(221,973)	(316,481)	94,508
TREASURY STOCK	(130)	(9)	(121)
TREASURY STOCK OWNED BY SUBSIDIARIES	0	(1,503)	1,503
TOTAL SHAREHOLDERS' EQUITY	1,620,822	957,939	662,883
TOTAL LIABILITIES, MINORITY INTERESTS & SHAREHOLDERS' EQUITY	7,215,005	6,451,243	763,762

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

3) Consolidated Statements of Retained Earnings

(FY2001 and FY2000)

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

	FY2001	FY2000	Change
Balance at beginning of the year	87,626	237,301	324,927
Increase	1,469	4,477	3,008
Increase due to inclusion in consolidation	14	-	14
Increase due to ceasing accounting for by the equity method	-	131	131
Adjustment for revaluation of the accounts of the consolidated subsidiary in Mexico based on general price level accounting	1,455	4,346	2,891
Decrease	30,606	10,625	19,981
Cash dividends paid	27,841	-	27,841
Bonuses to directors and statutory auditors	286	131	155
Decrease due to exclusion from consolidation	2,432	208	2,224
Decrease due to ceasing accounting for by the equity method	47	9,757	9,710
Others	-	529	529
Net income	372,262	331,075	41,187
Balance at the end of the year	430,751	87,626	343,125

4) Consolidated Statements of Cash Flows

(FY2001 and FY2000)

[in millions of Yen, () indicates out flows]

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

	FY2001	FY2000
Operating activities		
Income before income taxes and minority interests	364,216	289,698
Depreciation and amortization (Fixed assets excluding leased vehicles)	199,550	206,200
Amortization (Prepaid expenses (non current))	6,064	20,846
Depreciation (Leased vehicles)	169,213	133,145
Provision for doubtful receivables	39,273	17,320
Unrealized loss on investments	6,757	14,152
Interest and dividends income	(13,837)	(11,139)
Interest expense	102,656	108,188
Gain on sales of property, plant and equipment	(28,229)	(55,497)
Loss on disposals of property, plant and equipment	11,285	16,730
Loss (gain) on sales of securities	26,823	(65,043)
Decrease (increase) in trade receivables	7,334	(100,533)
Increase in finance receivables	(434,665)	(389,555)
Decrease in inventories	53,162	16,633
Increase in trade payables	78,255	24,476
Amortization of net retirement benefit obligation at transition	23,925	24,729
Provision for accrued retirement benefits	60,870	62,075
Retirement benefits paid	(81,326)	(67,351)
Reversal of accrual for losses on business restructuring	(9,213)	(28,035)
Others	(172,448)	782
Sub-total	409,665	217,821
Interest and dividends received	11,483	8,024
Interest paid	(104,958)	(109,206)
Income taxes paid	(93,976)	(43,388)
Total	222,214	73,251
Investing activities		
Decrease in short-term investments	3,411	3,690
Purchases of fixed assets * 1	(293,800)	(197,216)
Proceeds from sales of property, plant and equipment	108,935	98,692
Purchases of leased vehicles	(396,213)	(362,781)
Proceeds from sales of leased vehicles	185,152	192,635
Collection of long-term loans receivable	6,978	9,831
Long-term loans made	(8,730)	(2,280)
Purchases of investment securities	(230,397)	(9,294)
Proceeds from sales of investment securities	99,666	177,731
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	13,639	10,331
Additional acquisition of shares of consolidated subsidiaries	(2,634)	(2,568)
Proceeds from sales of business	-	40,379
Others	(10,396)	25,265
Total	(524,389)	(15,585)
Financing activities		
Increase (decrease) in short-term borrowings	308,869	(16,403)
Increase in long-term borrowings	631,451	248,298
Increase in bonds and debentures	246,822	50,000
Repayment or redemption of long-term debt	(1,092,066)	(555,045)
Proceeds from issuance of new shares of common stock	220,899	-
Proceeds from sales of treasury stock	2,324	25,975
Repayment of lease obligations	(9,543)	(15,919)
Cash dividends paid	(27,841)	-
Total	280,915	(263,094)
Effect of exchange rate changes on cash and cash equivalents	10,371	7,155
Decrease in cash and cash equivalents	(10,889)	(198,273)
Cash and cash equivalent at beginning of the year	288,536	490,708
Increase due to inclusion in consolidation	2,006	564
Decrease due to exclusion from consolidation	-	(4,463)
Cash and cash equivalent at end of the year	279,653	288,536

*1 Effective FY2001, purchase of intangible assets have been included in purchases of fixed assets.

Purchase of intangible assets for FY00 of 8,420 million yen had been included in "Others" of investing activities.

5) Basis of Consolidated Financial Statements

1. Number of Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(1) Consolidated subsidiaries ; 297 companies (Domestic 212, Overseas 85)

Domestic Car Dealers, Parts Distributors, Forklift Dealers

Aichi Nissan Motor Co., Ltd., Tokyo Nissan Motor Co., Ltd.
Nissan Satio Osaka Co., Ltd., Nissan Prince Tokyo Motor Sales Co., Ltd.
Nissan Forklift Kanagawa Co.,Ltd., Nissan Tokyo Kanagawa Parts Sales Co., Ltd.
and other 185 companies

Domestic Parts Manufacturers

Nissan Shatai Co.,Ltd., Aichi Machine Industry Co., Ltd.
JATCO TransTechnology Ltd. and other 2 companies

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc.
and other 13 companies

Overseas subsidiaries

Nissan North America Inc., Nissan Europe N.V.
Nissan Motor Manufacturing (UK) Ltd.
Nissan Mexicana, S.A. de C.V. and other 81 companies

Unconsolidated Subsidiaries ; 191 (Domestic 154, Overseas 37)

These 191 companies are excluded from consolidation because the effect of not consolidating them was immaterial to the Company's consolidated financial statements.

(2) Companies Accounted for by the Equity Method

Unconsolidated subsidiaries; 17 (Domestic 6, Overseas 11)
Affiliates; 32 (Domestic 26, Overseas 6)

Domestic Nissan Diesel Motor Co., Ltd., Calsonic Kansei Corporation,
 Unisia JECS Corporation and other 29 companies
Overseas Yulon Motor Co., Ltd., Siam Nissan Automobile Co., Ltd. & Siam group 5
 companies, and other 10 companies

The 174 unconsolidated subsidiaries and 33 affiliates other than the above 346 companies were not accounted for by the equity method because the effect of not adopting the equity method to them was immaterial to the Company's consolidated net income and retained earnings.

(3) Change in the Scope of Consolidation

The change in the scope of consolidation compared with fiscal year 2000 was summarized as follows:

Newly included in consolidation; 5 subsidiaries (Nissan do Brazil Automoveis Ltda.,
Nissan Satio Nara Co.,Ltd.,and other 3 companies)

Excluded from consolidation ; 21 subsidiaries (Nissan Satio Saitama Co.,Ltd., Nissan Transport Co.,Ltd.
Tennex Corporation,Nissan Altia Co.,Ltd.,and other 17 companies)

Number of companies newly accounted for by the equity method; 1 (Nissan Saitama Parts Sales Co.,Ltd.)

Number of companies ceased to be accounted for by the equity method; 6 (EXEDY Corporation
Niles Parts Co.,Ltd.,Tochigi Fuji Industrial Co.,Ltd.
KIRIU Corporation(Former "Kiri Machine Manufacturing Co.,Ltd.")
other 2 companies)

The increase in the number of consolidated subsidiaries and companies accounted for by the equity method was primarily attributable to those newly incorporated or became material to the consolidated financial statements. The decrease was mainly due to sales or mergers.

2. Fiscal Period of Consolidated Subsidiaries

1)End of FY2001 of the following consolidated subsidiaries is different from that of the Company (March 31)

December 31 : Nissan Mexicana,S.A.de C.V., Nissan Motor Company South Africa (Proprietary) Limited
and other 47 overseas subsidiaries
January 31 : Yokohama Marinos Ltd.

2)With respect to the above 50 companies, the effect of the difference in fiscal period is properly adjusted in consolidation.

3. Significant Accounting Policies

1)Valuation methods for assets

1.Securities

Held-to-maturity debt securities Held-to maturity debt securities are stated at amortized cost.

Other securities

Marketable securities 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, directly included in shareholders' equity.
Cost of securities sold is calculated by the moving average method.

Non-marketable securities ... Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

2.Derivative transactions

Derivatives are carried at fair value except for forward foreign exchange contracts entered in order to hedge receivables and payables denominated in foreign currencies.

3.Finished products

Finished products are stated principally at lower of cost or market, cost being determined by the average method.

4. Other inventories

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

Raw materials & supplies other than purchased parts are stated at the lower of cost, determined by the last-in, first-out method, or market.

2) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated principally by straight-line method based on the estimated useful lives and economic residual value determined by the Company.

3) Basis for Reserves and Allowances

Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibility of individual accounts for doubtful receivables.

Accrued Warranty Costs

Accrual warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

Accrual for losses on business restructuring

Accrual for losses on business restructuring is provided to cover the costs reasonably estimated to be incurred for business restructuring based on the Nissan Revival Plan.

Accrued retirement benefits

Accrued retirement benefits are provided for the payment of retirement benefits principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year.

The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method.

Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

4) Lease transactions

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

5) Hedge accounting

Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred. When forward foreign exchange contracts and other derivative transactions are entered into in order to hedge receivables and payables denominated in foreign currencies, such receivables and payables are recorded at the contract rates.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Hedged items are subject to the risk of loss as a result of market fluctuation and such changes are not reflected in their valuation.

Hedging policy

It is the Company's policy that all transactions denominated in foreign currencies are to be hedged.

Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows or fair values from the hedging instruments with those from the hedged items.

Risk management policy with respect to hedge accounting

The Company manages its derivative transactions in accordance with its internal "Policies and Procedures for Risk Management."

6) Consumption Tax.

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

7) Accounting policies adopted by foreign consolidated subsidiaries

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

4. Cash and cash equivalents

Cash and cash equivalents in consolidated statements of cash flows includes cash, deposits which can be withdrawn on demand and highly liquid short-term investments exposed to insignificant risk of changes in value with a maturity of three months or less when purchased.

5. Supplemental information

1) Accounting for Sales incentive

In accordance with new accounting standard for sales incentives which became effective the year ended March 31, 2002 in the United States, sales incentive of subsidiaries in USA and Mexico, which had previously been included in selling, general and administrative expenses, have been accounted for as deductions from sales. The effect of this change was to decrease sales and gross profit by 98,920 million yen. However, this change had no impact on operating income, ordinary income and income before income taxes and minority interests.

2) Effect to Segment Information

The effect of above change was to decrease sales and operating expenses for "Automobile" in BUSINESS SEGMENT INFORMATION and for "North America" in GEOGRAPHICAL SEGMENT INFORMATION by 98,920 million yen, and sales for "North America" in OVERSEAS NET SALES by 98,920 million yen from the corresponding amounts for the previous year.

6) Notes to Consolidated Financial Statements

1.Contingent Liabilities

At March 31, 2002, the Company and its consolidated subsidiaries had the following contingent liabilities:

	(Millions of yen)
1)As guarantor of employees' housing loans from banks and others	234,970
(193,178 for employees, 41,792 for others)	
2)Commitment to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	3,849
3)Letters of awareness to financial institutions regarding the indebtedness of certain affiliates	795
4)Letters of awareness to financial institutions to whom trade receivables were sold	58,742
5)The outstanding balance of installment receivables sold with recourse	264

2.Research and Development costs included in cost of sales and general and administrative expenses

(Millions of yen)
262,121

3.Cash Flows

Cash and cash equivalents at the end of fiscal year 2001 are reconciled to the accounts reported in the consolidated balance sheet as follows:

(as of Mar. 31 2002)	(Millions of yen)
Cash on hand and in banks	280,289
Time deposits with maturities of more than three months	(636)
Cash and cash equivalents	279,653

4. Lease transactions

[Lessees' Accounting]

(millions of yen)

(1) Finance leases except for those under which the ownership of leased properties is transferred to lessee.

1. The pro forma amounts for acquisition cost, accumulated depreciation and net book value of leased properties as of the balance sheet date.

	as of Mar 31 2002			as of Mar 31 2001		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	64,835	22,940	41,895	49,533	15,191	34,342
Others	132,844	77,903	54,941	150,443	79,713	70,730
Total	197,679	100,843	96,836	199,976	94,904	105,072

2. Future minimum lease payments subsequent to the balance sheet date.

	as of Mar 31 2002			as of Mar 31 2001		
	Within one year	Over one year	Total	Within one year	Over one year	Total
	37,437	61,152	98,589	40,835	65,283	106,118

3. Lease payments, depreciation and interest expense during the year.

	FY2001			FY2000		
	Lease payments	Depreciation	Interest expense	Lease payments	Depreciation	Interest expense
	47,317	44,282	3,207	52,053	49,136	3,160

(2) Operating lease

Future minimum lease payments subsequent to the balance sheet date.

	as of Mar 31 2002			as of Mar 31 2001		
	Within one year	Over one year	Total	Within one year	Over one year	Total
	4,335	20,859	25,194	5,451	18,168	23,619

[Lessors' Accounting]

(millions of yen)

(1) Finance lease except for those under which the ownership of leased properties is transferred to lessee.

1. Acquisition cost, accumulated depreciation and net book value of leased properties as of the balance sheet date.

	as of Mar 31 2002			as of Mar 31 2001		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	91,035	43,055	47,980	103,398	49,204	54,194
Others	5,018	3,163	1,855	5,073	2,958	2,115
Total	96,053	46,218	49,835	108,471	52,162	56,309

2. Future minimum lease income subsequent to March 31, 2002.

	as of Mar 31 2002			as of Mar 31 2001		
	Within one year	Over one year	Total	Within one year	Over one year	Total
	18,537	33,385	51,922	22,138	38,777	60,915

3. Lease income, depreciation and interest portion equivalent during the year.

	FY2001			FY2000		
	Lease income	Depreciation	Finance income	Lease income	Depreciation	Finance income
	21,850	18,946	3,452	37,591	23,751	2,125

(2) Operating leases

Future minimum lease income subsequent to the balance sheet date.

	as of Mar 31 2002			as of Mar 31 2001		
	Within one year	Over one year	Total	Within one year	Over one year	Total
	149,501	154,890	304,391	117,014	102,931	219,945

5. Securities

as of Mar 31, 2002

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

(1) Marketable held-to-maturity debt securities

millions of yen

	Book value	Estimated fair value	Unrealized Gain (loss)
Securities whose fair value exceeds their carrying value:			
(1) National & local government bonds	67	70	3
(2) Corporate bonds	348	363	15
Sub-total	415	433	18
Securities whose carrying value exceeds their fair value:			
(1) Corporate bonds	1,400	1,263	(137)
Sub-total	1,400	1,263	(137)
Grand-total	1,815	1,696	(119)

(2) Marketable other securities

millions of yen

	Acquisition cost	Carrying value	Unrealized Gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
(1) Stocks	1,040	5,886	4,846
(2) Bonds			
National & local government bonds	19	20	1
Corporate bonds	8	10	2
Sub-total	1,067	5,916	4,849
Securities whose acquisition cost exceeds their carrying value:			
(1) Stocks	222,146	221,588	(558)
(2) Bonds			
Corporate bonds	2,000	1,916	(84)
(3) Others	200	200	0
Sub-total	224,346	223,704	(642)
Grand-total	225,413	229,620	4,207

(3) Other securities which were sold during FY2001

millions of yen

Proceeds	Gross gain	Gross loss
72,388	12,818	(43,720)

(4) Details and book value of securities whose fair value is not available

(1) Held-to-maturity securities

Unlisted domestic bonds

5,000 millions of yen

(2) Other Securities

Unlisted domestic stocks

6,402 millions of yen

(excluding those traded on the over-the-counter market)

Unlisted foreign stocks

3,588

Unlisted foreign bonds

39,550

(5) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities

millions of yen

	Within one year	1year to 5year	5year to 10year
Bonds			
National & local government bonds	0	87	0
Corporate bonds	1,110	6,581	67
Others	43	18	0
Total	1,153	6,686	67

as of Mar 31, 2001

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

(1) Marketable held-to-maturity debt securities

millions of yen

	Book value	Estimated fair value	Unrealized Gain (loss)
Securities whose fair value exceeds their carrying value:			
(1) National & local government bonds	62	64	2
(2) Corporate bonds	361	366	5
(3) Other bonds	97	97	0
Sub-total	520	527	7
Securities whose carrying value exceeds their fair value:			
(1) Corporate bonds	1,803	1,761	(42)
Sub-total	1,803	1,761	(42)
Grand-total	2,323	2,288	(35)

(2) Marketable other securities

millions of yen

	Acquisition cost	Carrying value	Unrealized Gain (loss)
Securities whose carrying value exceeds their acquisition cost:			
(1) Stocks	17,536	33,438	15,902
(2) Bonds			
National & local government bonds	24	25	1
Corporate bonds	8	10	2
Sub-total	17,568	33,473	15,905
Securities whose acquisition cost exceeds their carrying value:			
(1) Stocks	91,441	78,446	(12,995)
(2) Bonds			
Corporate bonds	3,046	2,977	(69)
Sub-total	94,487	81,423	(13,064)
Grand-total	112,055	114,896	2,841

(3) Other securities which were sold during FY2000

millions of yen

Proceeds	Gross gain
145,621	43,888

(4) Details and book value of securities whose fair value is not available

(1) Held-to-maturity securities

 Unlisted domestic bonds 5,000 millions of yen

(2) Other Securities

 Unlisted domestic stocks 9,427 millions of yen

 (excluding those traded on the over-the-counter market)

 Unlisted foreign stocks 3,897

 Unlisted foreign bonds 44,315

(5) The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity debt securities

millions of yen

	Within one year	1year to 5year	5year to 10year
Bonds			
National & local government bonds	90	87	0
Corporate bonds	700	7,771	1,010
Others	97	65	0
Total	887	7,923	1,010

6. Fair Value of Derivative Transactions

Notional amount, Fair Value and Unrealized Gain (Loss) of Derivative Transactions

Millions of yen

		FY '01 Actual				FY '00 Actual			
		As of March 31, 2002				As of March 31, 2001			
		Notional amount		Fair Value	Unrealized Gain or Loss	Notional amount		Fair Value	Unrealized Gain or Loss
			Non current included				Non current included		
Currency	Forward exchange								
	Sell position								
	GBP	—	—	—	—	16,044	—	15,813	231
	US \$	1,919	—	1,904	15	9,418	—	10,036	(618)
	AU \$	705	—	706	(1)	—	—	—	—
	Others	438	—	520	(82)	1,576	—	1,557	19
	Buy position								
	GBP	15,064	—	14,786	(278)	31,639	—	30,669	(970)
	US \$	22,744	—	22,525	(219)	23,640	—	23,602	(38)
	Euro	33,280	—	33,691	411	—	—	—	—
	Others	1,301	—	1,223	(78)	11,801	—	11,279	(522)
	Option								
	Call Options, sold								
Yen	—	—	—	—	367	—	—	—	
(Premium)	(—)	(—)	—	—	(12)	(—)	(38)	(26)	
Currency Swaps									
US \$	4,927	4,927	(45)	(45)	236,755	146,602	(15,857)	(15,857)	
GBP	4,755	—	677	677	—	—	—	—	
CAN\$	2,284	2,284	(114)	(114)	—	—	—	—	
Euro	912	912	148	148	99,877	834	813	813	
Others	—	—	—	—	19,128	7,385	1,667	1,667	
Interest	Interest rate swaps								
	Receive float / Pay fix	260,996	173,998	(5,327)	(5,327)	256,495	198,819	(4,424)	(4,424)
	Receive fix / Pay float	244,650	243,996	8,347	8,347	200,769	147,161	9,502	9,502
	Receive float / Pay float	2,500	2,500	(48)	(48)	6,727	2,500	0	0
	Option								
	Cap, sold	448,872	324,645	(5,092)	(5,092)	224,969	224,969	(538)	(538)
(Premium)	(—)	(—)	5,092	5,092	(—)	(—)	538	538	
Cap, purchased	448,872	324,645	(5,092)	(5,092)	224,969	224,969	(538)	(538)	
(Premium)	(—)	(—)	5,092	5,092	(123)	(123)	538	415	
Stock	Options								
	Call, sold	—	—	—	—	42,510	—	(1,799)	(1,799)
	Put, purchased	—	—	—	—	25,100	—	1,356	1,356
Total		—	—	—	3,406	—	—	—	(10,789)

Notes:

1. Calculation of fair value

(1) Fair value of forward foreign exchange contracts is based on the forward rates.

(2) Fair value of options and swaps is based on the prices obtained from the financial institutions.

2. The notional amounts of forward foreign exchange contracts presented above exclude those entered into 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.

3. In accordance with the revised accounting standard for foreign currency translation, the notional amounts of currency swaps presented above exclude those entered into 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.

4. In accordance with "Practical Guidelines for Accounting for Financial Instruments (Interim Report) (Accounting Committee Report No. 14)" issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants on January 31, 2000, certain swaps which qualify for special treatment have been excluded from the notional amounts presented above.

5. The notional amounts of the derivative transactions presented above exclude those for which hedge accounting has been adopted.

7. Retirement Benefit

1. Description of retirement benefit plans

The Company and its domestic consolidated subsidiaries have defined benefit plans, i.e., welfare pension fund plans, tax-qualified plan and lump-sum payment plans. In addition, certain employees may be entitled to additional special retirement benefits based on the conditions under which termination occurs.

Certain foreign subsidiaries have defined benefit plans. (The foreign subsidiaries' retirement benefit plans are primarily defined contributor plans.)

2. The following table sets forth the funded status of the defined benefit plans of the Company and the consolidated subsidiaries:

	(As of Mar 31 2002)	(Millions of yen) (As of Mar 31 2001)
a. Retirement Benefit Obligation	1,428,222	1,462,142
b. Plan assets at fair value	674,642	717,359
c. Unfunded retirement benefit obligation (a+b)	753,580	744,783
d. Unrecognized net retirement benefit obligation at transition	317,098	350,121
e. Unrecognized actuarial gain or loss	132,217	66,431
f. Unrecognized prior service cost (a reduction of liability) (Note 2,3)	96,056	72,381
g. Net retirement benefit obligation recognized in the consolidated balance sheet (c+d+e+f)	400,321	400,612
h. Prepaid pension cost	21	101
i. Accrued retirement benefit (g-h)	400,342	400,713

Note 1 The government-sponsored portion of the benefits under the welfare pension fund plans has been included in the amounts shown in the above table.

Note2 In the year ended March 31, 2001, the Company and certain consolidated subsidiaries made amendments to their welfare pension fund plan with respect to the age of eligibility for annuity payments for the government-sponsored portion of the benefits in accordance with the amendments in March 2000 to the Welfare Pension Insurance Law of Japan, and also made amendments to their lump-sum payment plans and tax-qualified pension plans. As a result, prior service cost (a reduction of liability) was incurred

Note3 Effective April 1, 2001, the Company amended its welfare pension fund plan such that the Company discontinued the additional benefits to the welfare pension fund plan (plus-alpha portion). As a result, prior service cost (a reduction of liability) was incurred

Note4 Certain subsidiaries adopted a simplified method in the calculation of their retirement benefit obligation

3. The components of retirement benefit expenses were as follows:

	(FY2001)	(Millions of yen) (FY2000)
a. Service cost (Note1)	50,147	57,881
b. Interest cost	43,086	45,390
c. Expected return on plan assets	27,791	31,092
d. Amortization of net retirement benefit obligation at transition	24,369	25,232
e. Amortization of actuarial gain or loss	13,378	239
f. Amortization of prior service cost (Note2)	7,408	10,848
g. Other	190	480
h. Retirement benefit expenses (a+b+c+d+e+f+g)	95,591	86,804

Note1 Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans

Note2 Amortization of prior service cost represents the amount to be recognized for this fiscal year with respect to prior service cost explained in Note 2,3 to the table setting forth the funded status.

Note3 Retirement benefit expenses for consolidated subsidiaries adopting the simplified method are included in "a. Service cost."

4. Assumptions used in accounting for the retirement benefit obligation

		(FY2001)	(FY2000)
a. Attribution of retirement benefit obligation	The straight-line method over the years of service of employees		
b. Discount rates	Domestic companies	3.0%	3.0%
	Overseas companies	5.5% ~ 7.5%	4.9% ~ 7.5%
c. Expected rates of return on plan assets	Domestic companies	Mainly 4.0%	Mainly 4.0%
	Overseas companies	7.0% ~ 9.0%	7.5% ~ 9.0%
d. Amortization period of prior service cost	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 eligible employees.		
e. Amortization period of actuarial gain or loss	Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over periods (principally 8 years through 18 years) which are shorter than the average remaining years of service of the eligible employees. Certain foreign consolidated subsidiaries have adopted the corridor approach for the amortization of actuarial gain and loss		
f. Amortization period of net retirement benefit obligation at transition		Mainly 15 years	Mainly 15 years

8. Tax-effect accounting

(1) Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	Current fiscal year (As of Mar.31,2002)	Prior fiscal year (As of Mar.31,2001)
Deferred tax assets:		
Net operating loss carryforwards	165,554	229,993
Accrued retirement benefits	147,614	140,747
Accrual for losses on business restructuring	26,659	35,541
Other	320,260	230,721
Total gross deferred tax assets	660,087	637,002
Valuation allowance	(169,634)	(280,347)
Total deferred tax assets	490,453	356,655
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(197,806)	(50,875)
Difference between cost of investments and their underlying net equity at fair value	(70,553)	(82,269)
Unrealized holding gain on securities	(2,146)	(4,455)
Other	(17,249)	(116,671)
Total deferred tax liabilities	(287,754)	(254,270)
Net deferred tax assets	202,699	102,385

Note: Net deferred tax assets as of March 31,2002 and 2001 are reflected in the following accounts in the consolidated balance sheets :

	Current fiscal year (As of Mar.31,2002)	Prior fiscal year (As of Mar.31,2001)
Current assets - deferred tax assets	180,432	140,386
Fixed assets - deferred tax assets	231,697	132,154
Current liabilities - deferred tax liabilities	16	387
Long-term liabilities - deferred tax liabilities	209,414	169,768

(2) The reconciliation between the effective tax rates reflected in the consolidated financial statements and the statutory tax rate is summarized as follows:

	(%)	
	Current fiscal year (As of Mar.31,2002)	Prior fiscal year (As of Mar.31,2001)
Statutory tax rate of the Company	41.9	41.9
(Reconciliation)		
Different tax rates applied to foreign subsidiaries	(4.3)	(2.9)
Decrease in valuation allowance resulting in the recognition of net deferred tax assets	(42.9)	(60.9)
Other	1.3	0.3
Effective tax rates after adoption of tax-effect accounting	(4.0)	(21.6)

9. SEGMENT INFORMATION

for the fiscal years ended March 31, 2002 and 2001
[in millions of Yen, () indicates minus]

1. BUSINESS SEGMENT INFORMATION

[1] Fiscal year 2001

4/1/01 - 3/31/02	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. NET SALES					
(1) Sales to third parties	5,842,648	353,593	6,196,241	—	6,196,241
(2) Inter-group sales and transfers	49,755	13,059	62,814	(62,814)	0
TOTAL	5,892,403	366,652	6,259,055	(62,814)	6,196,241
OPERATING EXPENSES	5,435,656	328,536	5,764,192	(57,166)	5,707,026
OPERATING INCOME	456,747	38,116	494,863	(5,648)	489,215
II.					
DEPRECIATION AND CAPITAL EXPENDITURE					
TOTAL ASSETS	5,418,619	2,862,560	8,281,179	(1,066,174)	7,215,005
DEPRECIATION	209,174	165,653	374,827	—	374,827
CAPITAL EXPENDITURE	346,994	343,019	690,013	—	690,013

- Note: 1. Segmentation of business is based on resemblance of the sort and quality of products, market and so on.
Until FY00, the business segment information had been omitted because of the same reasons as those described in the notes to the business segment information for FY00. Effective FY01, the sales financing segment has been separately disclosed because such segment became material to the consolidated financial statements. In this connection, the industrial machine segment, which had been included in other segment, has been included in the automobile segment considering their operational proximity.
2. Major products and services included in each segment for fiscal year ended March 31, 2002 are;
(1) Automobile : Passenger cars, Light trucks and buses, Forklift, Parts for production, etc.
(2) Sales Financing : Credit, Lease, etc.
3. The effect of changing accounting method for sales incentives of the subsidiaries in U.S.A. and Mexico has been mentioned in "5. Supplemental information" of "7-5) Basis of Consolidated Financial Statements".

[2] Fiscal year 2000

The disclosure of business segment information has been omitted due to the following reasons:

- 1) Net sales in the automobile segment constituted more than 90% of the aggregate net sales of all business segments.
- 2) Operating income in the automobile segment constituted more than 90% of the aggregate operating income of all business segments.
- 3) Total assets in the automobile segment constituted more than 90% of the aggregate total assets of all segments.

(Unaudited, for reference) 4/1/00 - 3/31/01	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. NET SALES					
(1) Sales to third parties	5,807,509	282,111	6,089,620	—	6,089,620
(2) Intergroup sales and transfers	59,230	26,512	85,742	(85,742)	0
TOTAL	5,866,739	308,623	6,175,362	(85,742)	6,089,620
OPERATING EXPENSES	5,608,221	274,126	5,882,347	(83,041)	5,799,306
OPERATING INCOME	258,518	34,497	293,015	(2,701)	290,314
II.					
DEPRECIATION AND CAPITAL EXPENDITURE					
TOTAL ASSETS	5,035,088	2,083,260	7,118,348	(667,105)	6,451,243
DEPRECIATION	235,295	124,896	360,191	—	360,191
CAPITAL EXPENDITURE	248,132	320,249	568,381	—	568,381

2. Financial Statements by Business Segment

* The sales financing segment consists of Nissan Financial Services Co., Ltd.(Japan), Nissan Motor Acceptance Corporation(USA) and Nissan Canada Finance

* The financial data on the automobile and eliminations segment represents the difference between the consolidated figures and those for the sales financing segment

* The information on financial data by business segment for FY00 is voluntary disclosure and unaudited.

1). Balance Sheets by business segment

(Millions of Yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing					
	as of 3/31/02	as of 3/31/01	Change	as of 3/31/02	as of 3/31/01	Change	as of 3/31/02	as of 3/31/01	Change
Current assets	1,523,094	1,740,494	(217,400)	1,994,161	1,299,449	694,712	3,517,255	3,039,943	477,312
Cash in hand and banks	273,363	284,176	(10,813)	6,926	4,794	2,132	280,289	288,970	(8,681)
Notes & accounts receivable	525,866	555,228	(29,362)	7,070	15,668	(8,598)	532,936	570,896	(37,960)
Finance receivables	(135,274)	-	(135,274)	1,851,298	1,185,568	665,730	1,716,024	1,185,568	530,456
Marketable securities	30	3,958	(3,928)	-	-	-	30	3,958	(3,928)
Inventories	521,577	547,478	(25,901)	12,474	11,610	864	534,051	559,088	(25,037)
Other current assets	337,532	349,654	(12,122)	116,393	81,809	34,584	453,925	431,463	22,462
Fixed assets	2,826,671	2,624,267	202,404	868,399	783,811	84,588	3,695,070	3,408,078	286,992
Property, plant and equipment	2,103,261	2,083,058	20,203	775,897	698,662	77,235	2,879,158	2,781,720	97,438
Investment securities	373,379	282,582	90,797	25,734	30,314	(4,580)	399,113	312,896	86,217
Other fixed assets	350,031	258,627	91,404	66,768	54,835	11,933	416,799	313,462	103,337
Deferred assets	2,680	3,222	(542)	-	-	-	2,680	3,222	(542)
Total assets	4,352,445	4,367,983	(15,538)	2,862,560	2,083,260	779,300	7,215,005	6,451,243	763,762
Current liabilities	1,103,979	1,687,629	(583,650)	1,904,036	1,423,177	480,859	3,008,015	3,110,806	(102,791)
Notes & accounts payable	602,967	583,963	19,004	8,344	16,973	(8,629)	611,311	600,936	10,375
Short-term borrowings *1	(317,818)	195,919	(513,737)	1,742,622	1,233,597	509,025	1,424,804	1,429,516	(4,712)
Other current liabilities	818,830	907,747	(88,917)	153,070	172,607	(19,537)	971,900	1,080,354	(108,454)
Long-term liabilities	1,792,157	1,846,549	(54,392)	716,722	456,772	259,950	2,508,879	2,303,321	205,558
Bonds and debentures	786,258	699,436	86,822	9,900	-	9,900	796,158	699,436	96,722
Long-term borrowings	236,016	341,019	(105,003)	572,781	362,092	210,689	808,797	703,111	105,686
Other long-term liabilities	769,883	806,094	(36,211)	134,041	94,680	39,361	903,924	900,774	3,150
Total liabilities	2,896,136	3,534,178	(638,042)	2,620,758	1,879,949	740,809	5,516,894	5,414,127	102,767
Minority interests	77,289	79,177	(1,888)	-	-	-	77,289	79,177	(1,888)
Shareholders' equity	1,379,020	754,628	624,392	241,802	203,311	38,491	1,620,822	957,939	662,883
Common stock	534,949	425,675	109,274	69,607	70,931	(1,324)	604,556	496,606	107,950
Capital surplus	785,645	672,695	112,950	17,567	17,567	-	803,212	690,262	112,950
Retained earnings and accumulated gain on securities	322,751	1,195	321,556	112,406	87,869	24,537	435,157	89,064	346,093
Translation adjustments	(264,195)	(343,425)	79,230	42,222	26,944	15,278	(221,973)	(316,481)	94,508
Treasury stock	(130)	(1,512)	1,382	-	-	-	(130)	(1,512)	1,382
Total shareholders' equity	1,379,020	754,628	624,392	241,802	203,311	38,491	1,620,822	957,939	662,883
Total liabilities, Minority interests and shareholders' equity	4,352,445	4,367,983	(15,538)	2,862,560	2,083,260	779,300	7,215,005	6,451,243	763,762

Note: 1. Finance receivable of Automobile & eliminations indicates the eliminated amount of intercompany transaction related to the transfer of wholesale finance to Sales Financing Business.

2. Borrowings of Automobile & eliminations indicates the amount after deducting the amount of internal loan receivables to Sales Financing.

(01/3 581,870 million yen, 02/3 776,063 million yen)

(Interest bearing debt by business segment)

(Millions of Yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing					
	as of 3/31/02	as of 3/31/01	Change	as of 3/31/02	as of 3/31/01	Change	as of 3/31/02	as of 3/31/01	Change
Short-term borrowings	(317,818)	195,919	(513,737)	1,742,622	1,233,597	509,025	1,424,804	1,429,516	(4,712)
Bonds and debentures	786,258	699,436	86,822	9,900	-	9,900	796,158	699,436	96,722
Long-term borrowings	236,016	341,019	(105,003)	572,781	362,092	210,689	808,797	703,111	105,686
Total interest bearing debt	704,456	1,236,374	(531,918)	2,325,303	1,595,689	729,614	3,029,759	2,832,063	197,696
Cash on hand	272,742	283,717	(10,975)	6,911	4,819	2,092	279,653	288,536	(8,883)
Net interest bearing debt	431,714	952,657	(520,943)	2,318,392	1,590,870	727,522	2,750,106	2,543,527	206,579

2). Statements of income by business segment

(Millions of Yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing					
	4/1/01 - 3/31/02	4/1/00 - 3/31/01	Change	4/1/01 - 3/31/02	4/1/00 - 3/31/01	Change	4/1/01 - 3/31/02	4/1/00 - 3/31/01	Change
Net sales	5,829,589	5,780,997	48,592	366,652	308,623	58,029	6,196,241	6,089,620	106,621
Cost of sales	4,295,353	4,408,916	(113,563)	251,961	225,123	26,838	4,547,314	4,634,039	(86,725)
Gross profit	1,535,024	1,372,340	162,684	114,691	83,500	31,191	1,649,715	1,455,840	193,875
Operating profit	451,099	255,817	195,282	38,116	34,497	3,619	489,215	290,314	198,901
Percentage of Operating profit to Net sales	7.7%	4.4%	3.3%	10.4%	11.2%	-0.8%	7.9%	4.75%	3.15%
Ordinary profit	376,505	247,731	128,774	38,239	34,578	3,661	414,744	282,309	132,435
Income before income taxes	327,197	256,727	70,470	37,019	32,971	4,048	364,216	289,698	74,518
Net income	349,890	301,572	48,318	22,372	29,503	(7,131)	372,262	331,075	41,187

3). Statements of Cash flows by business segment

(Millions of Yen)

	FY01			FY00		
	Consolidated total			Consolidated total		
	Automobile & eliminations	Sales Financing		Automobile & eliminations	Sales Financing	
Operating activities						
Income before income taxes and minority interests	327,197	37,019	364,216	256,727	32,971	289,698
Depreciation and amortization	209,174	165,653	374,827	235,295	124,896	360,191
(Increase) decrease in finance receivables	135,274	(569,939)	(434,665)	-	(389,555)	(389,555)
Others	(42,492)	(39,672)	(82,164)	(195,450)	8,367	(187,083)
Total	629,153	(406,939)	222,214	296,572	(223,321)	73,251
Investing activities						
Proceeds from sales of investment securities	106,292	7,013	113,305	169,698	18,364	188,062
Proceeds from sales of property, plant and equipment	108,874	61	108,935	98,650	42	98,692
Purchases of fixed assets	(293,100)	(700)	(293,800)	(195,716)	(1,500)	(197,216)
Purchases of leased vehicles	(53,868)	(342,345)	(396,213)	(45,478)	(317,303)	(362,781)
Proceeds from sales of leased vehicles	38,213	146,939	185,152	21,022	171,613	192,635
Proceeds from sales of business	-	-	-	40,379	-	40,379
Others	(233,522)	(8,246)	(241,768)	10,005	14,639	24,644
Total	(327,111)	(197,278)	(524,389)	98,560	(114,145)	(15,585)
Financing activities						
(Decrease) increase in short-term borrowings	(331,786)	640,655	308,869	(270,532)	254,129	(16,403)
(Decrease) increase in long-term borrowings	(415,935)	(44,680)	(460,615)	(385,307)	78,560	(306,747)
Increase in bonds and debentures	236,922	9,900	246,822	50,000	-	50,000
Proceeds from sales of treasury stock	2,324	-	2,324	25,975	-	25,975
Others	183,515	-	183,515	(20,500)	4,581	(15,919)
Total	(324,960)	605,875	280,915	(600,364)	337,270	(263,094)
Effect of exchange rate changes on cash and cash equivalents	9,937	434	10,371	6,565	590	7,155
(Decrease) increase in cash and cash equivalents	(12,981)	2,092	(10,889)	(198,667)	394	(198,273)
Cash and cash equivalents at beginning of the year	283,717	4,819	288,536	486,283	4,425	490,708
Increase due to inclusion in consolidation	2,006	-	2,006	564	-	564
Decrease due to exclusion from consolidation	-	-	-	-4,463	-	-4,463
Cash and cash equivalents at end of the year	272,742	6,911	279,653	283,717	4,819	288,536

3. GEOGRAPHICAL SEGMENT INFORMATION

4/1/01 - 3/31/02	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. NET SALES							
(1) Sales to third parties	2,370,162	2,649,212	818,555	358,312	6,196,241	—	6,196,241
(2) Inter-area sales and transfers	1,458,965	15,475	32,912	4,709	1,512,061	(1,512,061)	0
TOTAL	3,829,127	2,664,687	851,467	363,021	7,708,302	(1,512,061)	6,196,241
OPERATING EXPENSES	3,539,431	2,455,062	848,239	356,794	7,199,526	(1,492,500)	5,707,026
OPERATING INCOME	289,696	209,625	3,228	6,227	508,776	(19,561)	489,215
II. TOTAL ASSETS	4,988,676	3,506,180	471,008	114,081	9,079,945	(1,864,940)	7,215,005

4/1/00 - 3/31/01	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. NET SALES							
(1) Sales to third parties	2,536,750	2,469,918	822,756	260,196	6,089,620	—	6,089,620
(2) Internal transactions	1,381,037	12,134	17,606	2,410	1,413,187	(1,413,187)	0
TOTAL	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
II. TOTAL ASSETS	4,984,516	2,416,774	425,172	76,373	7,902,835	(1,451,592)	6,451,243

- Note: 1. Segmentation of countries and regions are based on geographical degree of proximity and relevancy of business activity.
2. Major countries and regions included in each segment other than Japan are:
(1) North America : U.S.A., Canada, Mexico
(2) Europe : The Netherlands, Spain, U.K. and other European countries
(3) Others : Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa
3. The effect of changing accounting method for sales incentives of the subsidiaries in U.S.A. and Mexico has been mentioned in "5. Supplemental information" of "7-5) Basis of Consolidated Financial Statements".

4. OVERSEAS NET SALES

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

4/1/01 - 3/31/02	North America	Europe	Other foreign	Total
(1) Overseas net sales [Millions of Yen]	2,588,300	825,696	670,556	4,084,552
(2) Consolidated net sales [Millions of Yen]				6,196,241
(3) Overseas net sales / Consolidated net sales [%]	41.8	13.3	10.8	65.9

4/1/00 - 3/31/01	North America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of Yen]	2,429,722	794,251	554,221	3,778,194
(2) Consolidated net sales [Millions of Yen]				6,089,620
(3) Overseas net sales / Consolidated net sales [%]	39.9	13.0	9.1	62.0

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

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

3. Main countries and regions included in each segment are;

(1) North America : USA, Canada, Mexico

(2) Europe : Germany, U.K., Spain and other European countries

(3) Other foreign countries : Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

4. The effect of changing accounting method for sales incentives of the subsidiaries in U.S.A. and Mexico has been mentioned in "5. Supplemental information" of "7-5) Basis of Consolidated Financial Statements".

10. Transactions with related parties

There were no significant transactions with related party during the year to be disclosed.

11. Production and sales

1) Consolidated production volume

(Thousands of units)

	FY2001	FY2000	Change	
			Units	%
Japan	1,273	1,314	(41)	(3.1%)
U.S.A.	363	353	10	3.0%
Mexico	329	312	17	5.2%
U.K.	297	328	(31)	(9.5%)
Spain	137	137	0	0.5%
South Africa	29	32	(3)	(9.9%)
Total	2,428	2,476	(48)	(1.9%)

Note: Period of counting units

Japan, U.S.A April/2001-March/2002
Others January/2001-December/2001

2) Consolidated wholesale units by region

(Thousands of units)

	FY2001	FY2000	Change	
			Units	%
Japan	703	726	(23)	(3.2%)
North America	968	985	(17)	(1.7%)
Europe	454	513	(59)	(11.6%)
Others	335	340	(5)	(1.2%)
Total	2,460	2,564	(104)	(4.0%)

Note: Period of counting units

Japan , North America (except Mexico)
April/2001-March/2002
North America (Mexico only) , Europe
January/2001-December/2001

1. Products and Sales**VEHICLE PRODUCTION**

(FY2001 and FY2000)

	FY2001	FY2000	Change (%)
(Units)			
Domestic	1,272,851	1,313,527	(3.1%)

NON-CONSOLIDATED SALES BY PRODUCT LINE

(FY2001 and FY2000)

	FY2001	FY2000	Change (%)
Vehicle whole sales (Units)			
Total vehicle whole sales	1,294,895	1,346,921	(3.9%)
Domestic	717,776	742,055	(3.3%)
Export	577,119	604,866	(4.6%)
Passenger vehicles	1,076,803	1,147,736	(6.2%)
Domestic	607,298	627,308	(3.2%)
Export	469,505	520,428	(9.8%)
Commercial vehicles	218,092	199,185	9.5%
Domestic	110,478	114,747	(3.7%)
Export	107,614	84,438	27.4%
Net sales (millions of yen)			
Total net sales	3,019,860	2,980,130	1.3%
Domestic	1,389,217	1,457,938	(4.7%)
Export	1,630,643	1,522,192	7.1%
Vehicles	2,286,402	2,265,589	0.9%
Domestic	1,181,633	1,227,168	(3.7%)
Export	1,104,769	1,038,420	6.4%
Production parts and components for overseas production	309,458	295,935	4.6%
Domestic	-	-	-
Export	309,458	295,935	4.6%
Automotive parts	279,689	297,004	(5.8%)
Domestic	191,906	208,962	(8.2%)
Export	87,782	88,041	(0.3%)
Other automotive business	111,522	79,369	40.5%
Domestic	912	4,403	(79.3%)
Export	110,609	74,965	47.5%
Sub total of automotive business	2,987,072	2,937,898	1.7%
Domestic	1,374,452	1,440,535	(4.6%)
Export	1,612,620	1,497,363	7.7%
Aerospace equipment	-	1,935	-
Domestic	-	1,935	-
Export	-	-	-
Forklifts equipment	32,788	40,295	(18.6%)
Domestic	14,764	15,467	(4.5%)
Export	18,023	24,828	(27.4%)

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

2.Non-Consolidated Financial Statements

1) Non-Consolidated Statements of Income

FY2001 and 2000

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

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

	FY2001		FY2000		Change
[ORDINARY INCOME/LOSS]					
OPERATING REVENUE/EXPENSES					
OPERATING REVENUE	100%	3,019,860	100%	2,980,130	39,730
Net sales		3,019,860		2,980,130	39,730
OPERATING EXPENSES		2,777,581		2,852,368	(74,786)
Cost of sales		2,362,435		2,469,349	(106,914)
Selling, general and administrative expenses		415,145		383,018	32,127
OPERATING INCOME	8.0%	242,279	4.3%	127,762	114,517
NON-OPERATING INCOME/EXPENSES					
NON-OPERATING INCOME		13,367		63,401	(50,033)
Interest and dividend income		8,353		12,721	(4,367)
Gains on sales of marketable securities		0		36,219	(36,219)
Other non-operating income		5,014		14,460	(9,446)
NON-OPERATING EXPENSES		57,714		55,469	2,244
Interest expense		16,821		22,711	(5,890)
Amortization of net retirement benefit obligation at transition		18,218		18,218	0
Other non-operating expenses		22,675		14,539	8,135
ORDINARY INCOME	6.6%	197,932	4.6%	135,693	62,239
[EXTRAORDINARY GAINS/LOSSES]					
EXTRAORDINARY GAINS					
Gains on sales of property, plant and equipment		22,122		37,246	(15,124)
Gains on sales of investment securities		37,151		27,859	9,291
Other extraordinary gains		4,054		1,793	2,261
EXTRAORDINARY LOSSES		188,244		108,786	79,458
Devaluation loss on investments and receivables		129,613		84,380	45,233
Loss on sales of property, plant and equipment		4,099		-	4,099
Loss on sales of investment securities		43,707		-	43,707
Loss on disposal of property, plant and equipment		7,233		11,347	(4,114)
Other extraordinary losses		3,590		13,058	(9,467)
INCOME BEFORE INCOME TAXES	2.4%	73,016	3.1%	93,807	(20,790)
INCOME TAXES-CURRENT		7,941		5,437	2,504
INCOME TAXES-DEFERRED		(118,373)		(99,115)	(19,258)
NET INCOME	6.1%	183,449	6.3%	187,485	(4,035)
RETAINED EARNINGS BROUGHT FORWARD					
FROM PREVIOUS YEAR		120,295		(766,778)	887,074
UNAPPROPRIATED RETAINED EARNINGS (DEFICITS)		303,745		(579,293)	883,038

2) Non-Consolidated Balance Sheets

As of March 31 2002 and March 31 2001

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

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

	as of Mar. 31,2002	as of Mar. 31,2001	Change
[ASSETS]			
CURRENT ASSETS	1,680,664	1,333,580	347,084
Cash on hand and in banks	142,663	160,702	(18,038)
Trade notes receivable	3	211	(208)
Trade accounts receivable	355,054	410,898	(55,844)
Marketable securities	0	8	(8)
Finished products	52,052	52,342	(289)
Work in process	28,607	18,416	10,191
Raw materials & supplies	22,495	22,515	(19)
Deferred tax assets	28,974	14,307	14,667
Short-term loans receivable	1,040,414	647,988	392,426
Other accounts receivable	38,763	42,779	(4,016)
Other current assets	25,200	10,656	14,544
Allowance for doubtful accounts	(53,566)	(47,247)	(6,319)
FIXED ASSETS	2,228,675	2,239,663	(10,988)
Property, plant & equipment	545,922	539,811	6,111
Buildings	142,582	148,709	(6,126)
Structures	30,496	31,276	(780)
Machinery & equipment	156,421	151,610	4,810
Vehicles	6,756	6,273	483
Tools, furniture and fixtures	35,596	28,479	7,116
Land	148,565	152,647	(4,081)
Construction in progress	25,503	20,813	4,690
Intangible assets	22,431	18,315	4,116
Utility rights	162	178	(15)
Software	21,472	17,345	4,127
Other intangible assets	796	792	4
Investments & other assets	1,660,320	1,681,536	(21,215)
Investment securities	87,389	186,763	(99,374)
Investments in subsidiaries	1,362,000	1,357,756	4,243
Long-term loans receivable	37,705	48,221	(10,515)
Long-term prepaid expenses	7,138	9,671	(2,533)
Deferred tax assets	186,800	85,098	101,702
Other investments	15,083	18,671	(3,588)
Allowance for doubtful accounts	(35,797)	(24,647)	(11,150)
DEFERRED ASSETS	5,690	3,222	2,468
Discounts on bonds	5,690	3,222	2,468
TOTAL ASSETS	3,915,031	3,576,466	338,564

	as of Mar. 31,2002	as of Mar. 31,2001	Change
[LIABILITIES]			
CURRENT LIABILITIES	841,164	1,002,230	(161,065)
Trade notes payable	4,041	2,701	1,340
Trade accounts payable	332,383	322,444	9,939
Short-term borrowings	80,000	30,000	50,000
Current portion of long-term borrowings	32,925	45,305	(12,380)
Commercial paper	56,000	175,500	(119,500)
Current maturities of bonds	82,566	175,000	(92,434)
Other accounts payable	21,647	23,313	(1,665)
Accrued expenses	141,625	144,253	(2,628)
Deposits received	5,049	5,151	(102)
Employees' saving deposits	58,698	63,080	(4,381)
Other current liabilities	26,228	15,481	10,747
LONG-TERM LIABILITIES	1,244,813	1,124,077	120,736
Bonds	807,400	644,266	163,134
Long-term borrowings	135,118	153,743	(18,625)
Long-term deposits received	2,294	2,478	(184)
Accrued warranty costs	68,385	73,064	(4,679)
Accrual for losses on business restructuring	15,910	24,710	(8,799)
Accrued retirement benefits	215,706	225,815	(10,108)
TOTAL LIABILITIES	2,085,978	2,126,307	(40,328)
[SHAREHOLDERS' EQUITY]			
COMMON STOCK	604,556	496,606	107,950
LEGAL SURPLUS	857,051	741,201	115,850
Capital surplus	803,212	690,262	112,950
Legal reserve	53,838	50,938	2,900
RETAINED EARNINGS	365,202	212,754	152,448
Reserve for reduction of replacement cost of specified properties	53,025	46,203	6,821
Reserve for losses on overseas investments	7,056	9,055	(1,999)
Reserve for special depreciation	1,375	2,045	(669)
General reserve	-	734,742	(734,742)
Unappropriated retained earnings (deficits)	303,745	(579,293)	883,038
[Net income]	[183,449]	[187,485]	[(4,035)]
UNREALIZED HOLDING GAIN(LOSS) ON SECURITIES	2,371	(402)	2,774
TREASURY STOCK	(129)	-	(129)
TOTAL SHAREHOLDERS' EQUITY	1,829,052	1,450,159	378,893
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,915,031	3,576,466	338,564

3) SIGNIFICANT ACCOUNTING POLICIES

1. Valuation methods for assets

(1) Valuation of inventories

Finished products, work in process and purchased parts included in raw materials & supplies are stated at the lower of cost or market. The cost is determined by the average method.

Raw materials & supplies other than purchased parts are stated at the lower of cost or market. The cost is determined by the last-in, first-out method.

(2) Valuation of securities

1) Held-to-maturity debt securities are stated at amortized cost based on the straight-line method.

2) Investments in stock of subsidiaries and affiliates are stated at cost determined by the moving average method.

3) Other securities

Marketable securities 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, directly included in shareholders' equity. Cost of securities sold is calculated by the moving average method.

Non-marketable securities ... Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

(3) Accounting for derivative financial instruments

Derivative financial instruments are stated at fair value.

2. Depreciation of fixed assets

(1) Depreciation of property, plant and equipment is calculated by straight-line method based on the estimated useful lives and economic residual value determined by the Company.

(2) Amortization of intangible assets is calculated by the straight-line method

3. Basis for Reserves and Allowances

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible bad debt at the amount estimated based on the past bad debts experience for normal receivables plus uncollectible amounts determined by reference to the collectibility of individual accounts for doubtful receivables.

(2) Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

(3) Accrual for losses on business restructuring

Accrual for losses on business restructuring is provided to cover the costs reasonably estimated to be incurred for business restructuring based on the Nissan Revival Plan.

(4) Accrued retirement benefits

Accrued retirement benefits are provided for the payment of retirement benefits at the amount calculated based on the retirement benefit obligation and the fair value of pension plan assets at the end of this fiscal year.

The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight line method.

Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

4. Translation of assets or liabilities denominated in foreign currencies into Japanese yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date and resulting translation gains and losses are charged or credited to income.

5. Significant hedge accounting method

Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred. When forward foreign exchange contracts and other derivative transactions are entered into in order to hedge receivables and payables denominated in foreign currencies, such receivables and payables are recorded at the contract rates.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Hedged items are subject to the risk of loss as a result of market fluctuation and such changes are not reflected in their valuation.

Hedging policy

It is the Company's policy that all transactions denominated in foreign currencies are to be hedged.

Assessment of hedge effectiveness

Hedge effectiveness is determined by comparing the cumulative changes in cash flows or fair values from the hedging instruments with those from the hedged items.

Risk management policy with respect to hedge accounting

The Company manages its derivative transactions in accordance with its internal "Policies and Procedures for Risk Management."

6. Consumption Tax

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

4) NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Accumulated depreciation of property, plant and equipment amounted to yen 1,380,057 million.

2. Assets pledged as collateral : Investment securities : Yen 10,968 million.

3. As endorser of documentary export bills discounted with banks: Yen 1,047 million

4. Guarantees and other items: () refers to those relating to subsidiaries

Guarantees total yen 399,988 million (yen 198,715 million),

including a total of yen 175,512 million in employee's residence mortgages which is insured in full and yen 25,500 million mortgages with pledge.

Commitment to provide guarantees total yen 1,454 million .

Letter of awareness and others total yen 46,765 million (yen 46,765 million)

Letter of awareness concerning transfers of receivables total yen 256,812 million (yen 198,070 million)

The Company entered into Keepwell Agreements with certain overseas subsidiaries to support their credibility.

Liabilities of such subsidiaries totaled yen 1,588,289 million

5. Fair value information on securities of subsidiaries and affiliates

million of yen

	as of Mar. 31, 2002			as of Mar. 31, 2001		
	Book value	fair value	differences	Book value	fair value	differences
Subsidiaries	10,981	28,012	17,030	13,002	27,014	14,011
Affiliates	43,230	67,030	23,799	46,361	89,967	43,606
Total	54,212	95,042	40,830	59,364	116,981	57,617

6. Lease Transactions

(1) Finance leases (except for those under which the ownership of leased assets is transferred to lessee.)

1. The pro forma amounts for acquisition cost , accumulated depreciation and net book value of leased assets

(Millions of Yen)

	as of Mar. 31,2002			as of Mar. 31, 2001		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery & equipment	1,686	477	1,209	1,216	250	965
Tools, furniture & fixtures	109,655	63,952	45,702	121,866	63,114	58,751
Others	985	595	390	1,216	713	502
Total	112,327	65,025	47,301	124,298	64,079	60,219

2. Future minimum lease payments

(Millions of Yen)

	as of Mar. 31,2002			as of Mar. 31, 2001		
	within one year	over one year	Total	within one year	over one year	Total
	24,059	24,332	48,391	28,177	33,285	61,462

3. Lease payments, depreciation and interest expense

(Millions of Yen)

	FY2001			FY2000		
	Lease payments	Depreciation	Interest expense	Lease payments	Depreciation	Interest expense
	32,471	30,350	2,060	36,562	34,101	1,979

(2) Operating leases

Future minimum lease payments

(Millions of Yen)

	as of Mar. 31,2002			as of Mar. 31, 2001		
	within one year	over one year	Total	within one year	over one year	Total
	112	179	291	130	234	364

7. Tax effect accounting

(1)The significant components of the deferred tax assets and liabilities

	As of Mar. 31,2002	(Millions of Yen) As of Mar. 31,2001
(Deferred tax assets)		
Net operating loss carryforwards	11,755	66,841
Accrued retirement benefits	87,253	85,844
Accrual for losses on business restructuring	16,291	19,981
Other	220,949	191,262
Total gross deferred tax assets	<u>336,248</u>	<u>363,928</u>
Valuation allowance	<u>(72,812)</u>	<u>(214,966)</u>
Total deferred tax assets	263,436	148,962
(Deferred tax liabilities)		
Reserves under Special Taxation Measures Law, etc.	(45,790)	(44,398)
Unrealized holding gain on securities	(1,871)	(5,071)
Other	<u>0</u>	<u>(87)</u>
Total deferred tax liabilities	<u>(47,661)</u>	<u>(49,556)</u>
Net deferred tax assets	<u><u>215,775</u></u>	<u><u>99,406</u></u>

(2)Significant components of the difference between statutory tax rate and effective tax rate

	FY2001	FY2000
Statutory tax rate	41.9	41.9
(Reconciliation)		
Decrease in valuation allowance resulting in the recognition of net deferred tax assets	(192.7)	(141.9)
Other	<u>(0.4)</u>	<u>0.1</u>
Effective tax rate	<u><u>(151.2)</u></u>	<u><u>(99.9)</u></u>

5) Proposal for Appropriation of Retained earnings

	as of Mar. 31,2002	as of Mar. 31,2001
	Millions of Yen	Millions of Yen
Unappropriated retained earnings	303,745	-
Unappropriated deficit	-	579,293
Reversal of reserve for reduction of replacement cost of specified properties	5,934	10,203
Reversal of reserve for losses on overseas investments	1,462	1,999
Reversal of reserve for special depreciation	609	757
Reversal of general reserve	-	734,742
Total	311,751	168,409
The proposed appropriations are as follows		
	Millions of Yen	Millions of Yen
Legal reserve	-	2,900
Cash dividends	33,975	27,840
	$\left[\begin{array}{l} 8 \text{ yen per share} \\ 4 \text{ yen per issued share in FY01} \end{array} \right]$	$\left[\begin{array}{l} 7 \text{ yen per share} \end{array} \right]$
Director's Bonus	390	260
Provision for reserve for reduction of replacement cost of specified properties	9,865	17,024
Provision for reserve for special depreciation	67	87
Retained earnings carried forward to next year	267,452	120,295

Note:

The provisions for and reversals of the reserves for reduction of replacement cost of specified properties, losses on overseas investments, and special depreciation are made in accordance with the Special Taxation Measures Law.