

**NISSAN MOTOR COMPANY
FY02 ANNUAL RESULTS**

May 21 2003

**Mr. Thierry Moulonguet
Executive Vice President & Chief Financial Officer of Nissan**

Agenda

NISSAN
MOTOR COMPANY

Accounting Changes

Final Figures: Update From Pre-Announce As Of April 23rd

Non-Operating & Extraordinary Items

TAX

Cash Flow

Pension

Captive Finance Companies

ROIC

Employees Stock Options Plan

Dividend Policy

Funding Strategy

Conclusion

Lease Accounting: From Off B/S to On B/S

Balance Sheet Impact

(Billion Yen)

<u>Items</u>	<u>FY2002</u>	<u>FY2003E</u>
Canton SPE Full Consolidation	+116	+116
Financial Lease	Footnote	+103
Vendor Tooling	Footnote	+46

Income Statement Impact

(Billion Yen)

<u>Items</u>	<u>FY2003E</u>		
	<u>OP</u>	<u>Non-OP</u>	<u>Net</u>
Canton SPE Full Consolidation	+3	-3	0
Financial Lease	+3	-3	0
Vendor Tooling Depreciation Period	+20	0	+20

Final Figures : Consolidated Basis

(in 000 units)	FY2001	FY2002	Change	23-Apr Preview
Sales Volume	2,460	2,636	7.2%	
(in Billion Yen)				
Revenue	6,196.2	6,828.6	10.2%	6,850.0
COGS	4,547.3	4,872.3	7.1%	
SG&A	1,160.5	1,219.1	5.0%	
Operating Profit	489.2	737.2	50.7%	737.0
Operating Margin (%)	7.9%	10.8%		10.8%
Non-Operating Income & Expense	-74.5	-27.1	-63.5%	
Ordinary Income	414.7	710.1	71.2%	709.0
Extraordinary Gains & Losses	-50.5	-15.5	-69.4%	
Income Before Income Tax	364.2	694.6	90.7%	
Income Taxes + Minority Interest	-8.1	199.4		
Net Income After Tax	372.3	495.2	33.0%	495.0

Final Figures:



Business Segment (Income Statement)

(Billion Yen)

	Automotive			Sales Financing		
	FY2001	FY2002	Change	FY2001	FY2002	Change
Net Sales	5,829.6	6,432.7	10.3%	366.7	395.9	8.0%
COGS	4,295.4	4,617.4	7.5%	252.0	255.0	1.2%
Gross Profit	1,535.0	1,815.4	18.3%	114.7	140.9	22.9%
Operating Margin	7.7%	10.5%		10.4%	15.1%	
Operating Profit	451.1	677.3	50.2%	38.1	59.9	57.1%
Ordinary Profit	376.5	650.3	72.7%	38.2	59.7	56.2%
Net Income	349.9	458.6	31.1%	22.4	36.6	63.4%

Final Figures:



Business Segment (Balance Sheet)

(Billion Yen)

	Automotive			Sales Financing		
	FY2001	FY2002	Change	FY2001	FY2002	Change
Total Assets	4,352.4	4,245.3	-2.5%	2,862.6	3,103.9	8.4%
Total Liabilities	2,896.1	2,628.7	-9.2%	2,620.8	2,823.7	7.7%
Total Shareholder Equity	1,379.0	1,528.1	10.8%	241.8	280.2	15.9%

Non-Operating & Extraordinary Items

Main Non-Operating Items

(Billion Yen)

Items	FY2001	FY2002
Net financial expenses	-20.4	-16.5
Amortization of pension obligation	-23.9	-23.9
Equity in profits of unconsolidated companies	0.9	11.4

Main Extraordinary Items

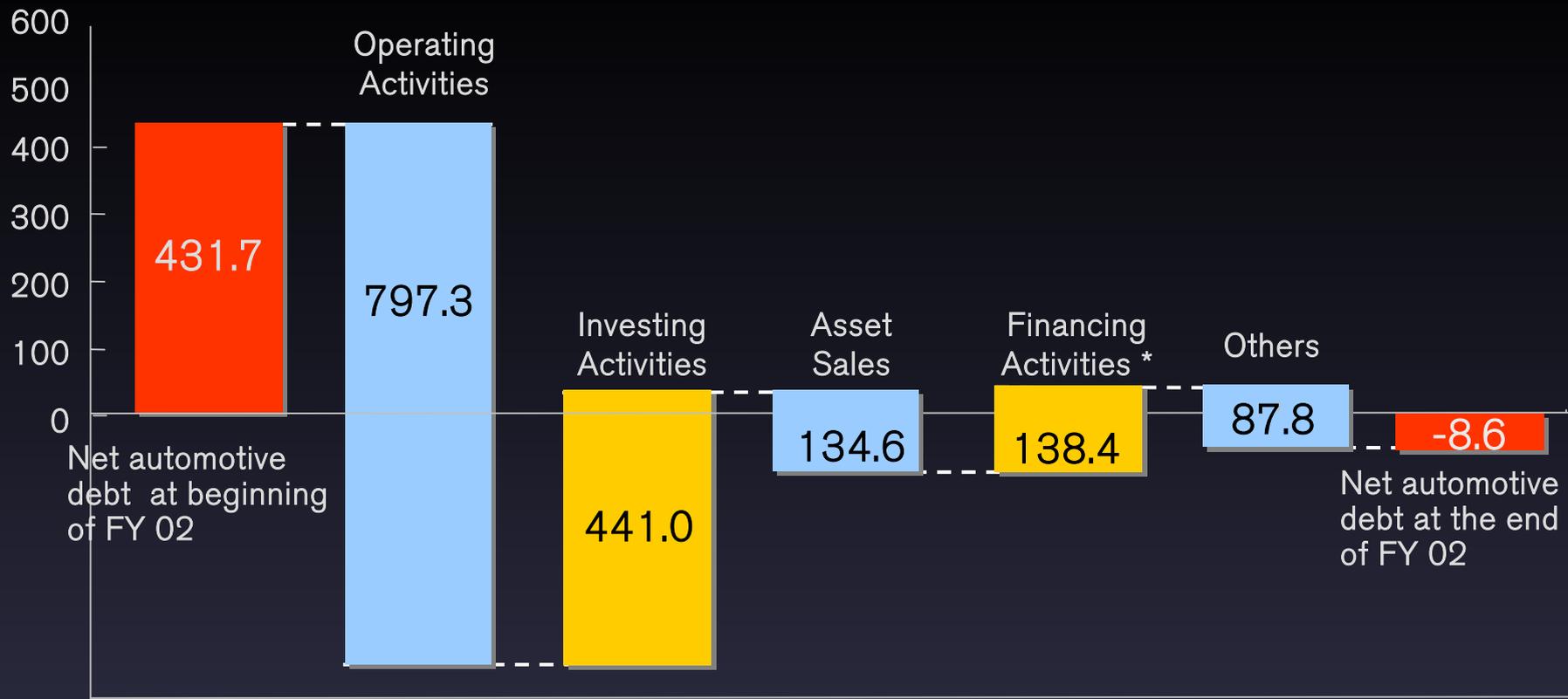
(Billion Yen)

Items	FY2001	FY2002
Return of substitution of Pension	0	-30.9
Net Extraordinary gains from fixed asset disposal	28.2	58.8
Disposal losses on PPE	-11.3	-15.6

Automotive:

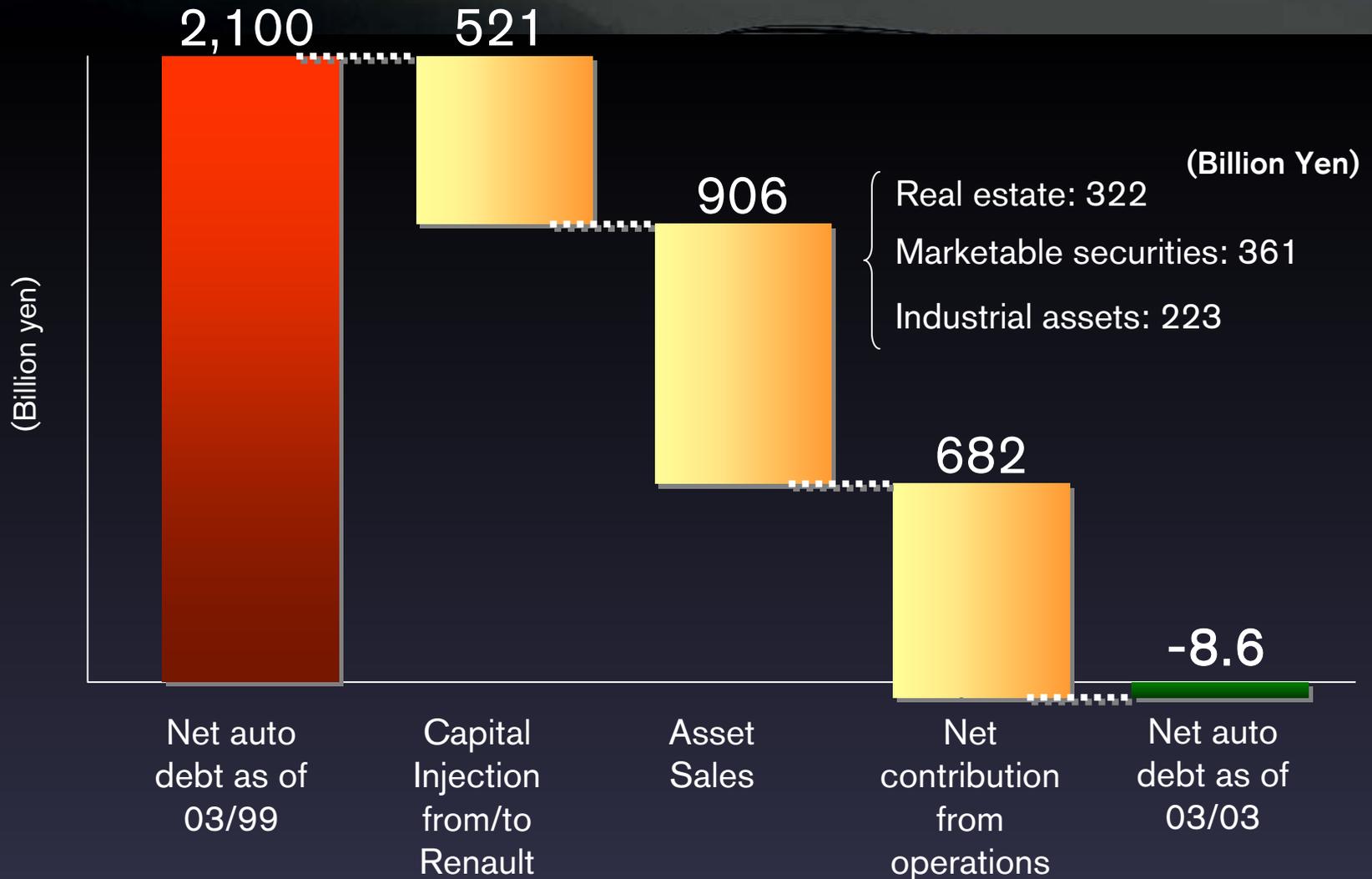
FY 2002 Net Cash Improvement

(Billion Yen)



* Dividend -50.8 Billion Yen, Share Buyback -58.4 Billion Yen, etc

Automotive: Factors in Debt Elimination (Mar 1999 Mar 2003)



Effective tax rates return to normal

FY 2001	FY 2002		FY 2003E
-4%	29%		35-40%
	1 st half	2 nd half	
	22%	36%	
<u>Factors</u> Tax Effect	<u>Factors</u> Nissan restructuring in Europe	Normal	Normal

Changes in Pension

- Negative Return on Asset
- Return Substitution Portion to the government
- Discount Rate: From 3% to 2.3% *
- ROA: From 4% to 3% *

Pension Impact

(Billion Yen)

	Mar-02	Mar-03	Substitution Return	Discount Rate Change + Others
PBO	1,428	1,135	-395	102
Plan Assets	675	360	-242	-73
(Difference)	753	775	-153	175
Provision on B:/S	400	433	31	2
To-Be Amortized Obligation	353	342	-184	173

* Mainly for domestic companies

Pension Expenses (P/L Impact)

Extraordinary Loss

(Billion Yen)

FY 2002: Return Pension Substitution EPF: -31

Operating & Non-Operating Cost

(Billion Yen)

	<u>FY 2002</u>	<u>FY 2003E</u>	<u>Change</u>
Operating Cost	74	84	-10
Non-Operating Cost	24	16	+8
Total	98	100	-2

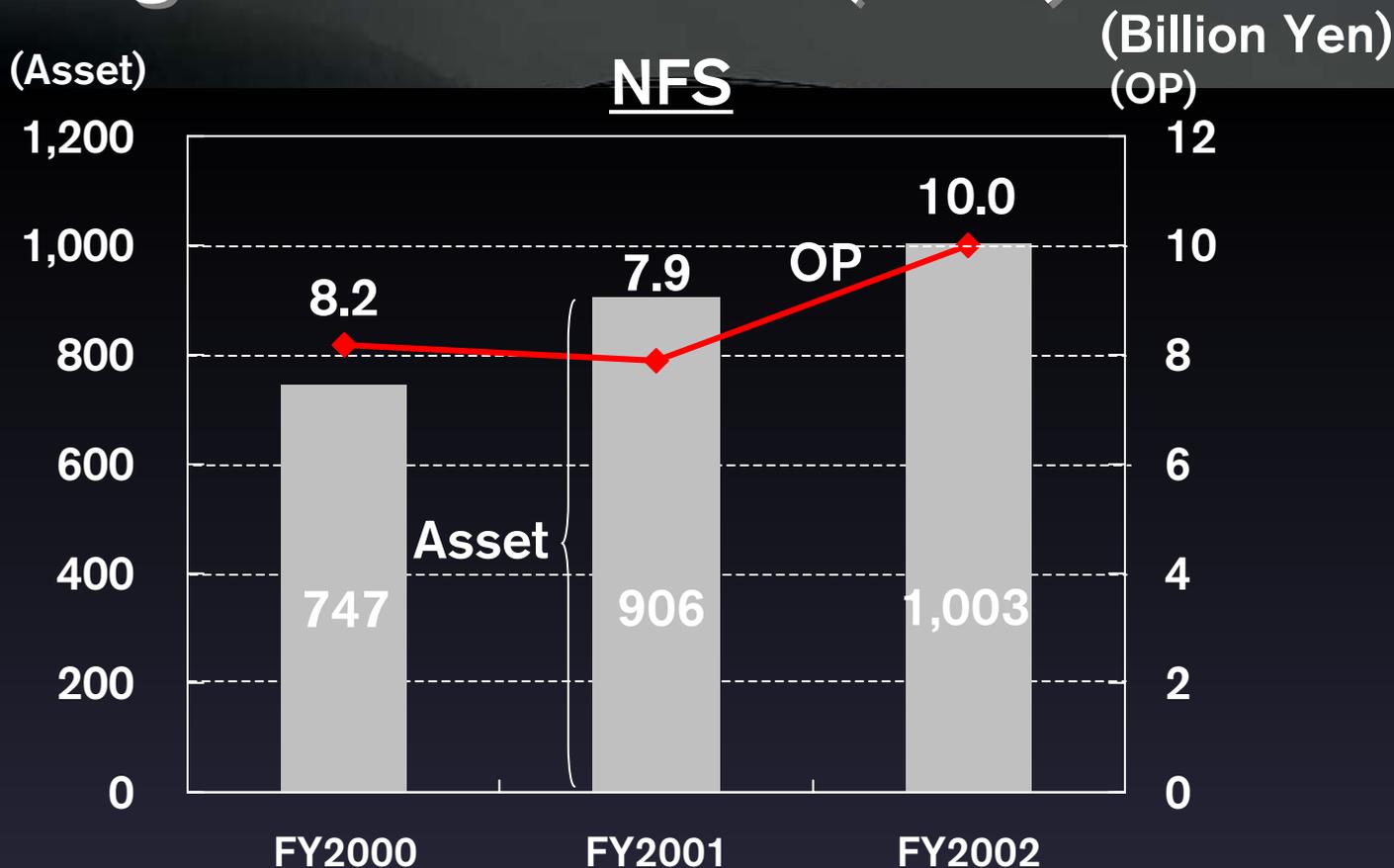
Cash Contribution

(Billion Yen)

<u>FY 2002</u>	<u>FY 2003E</u>
76	84

Sales Financing:

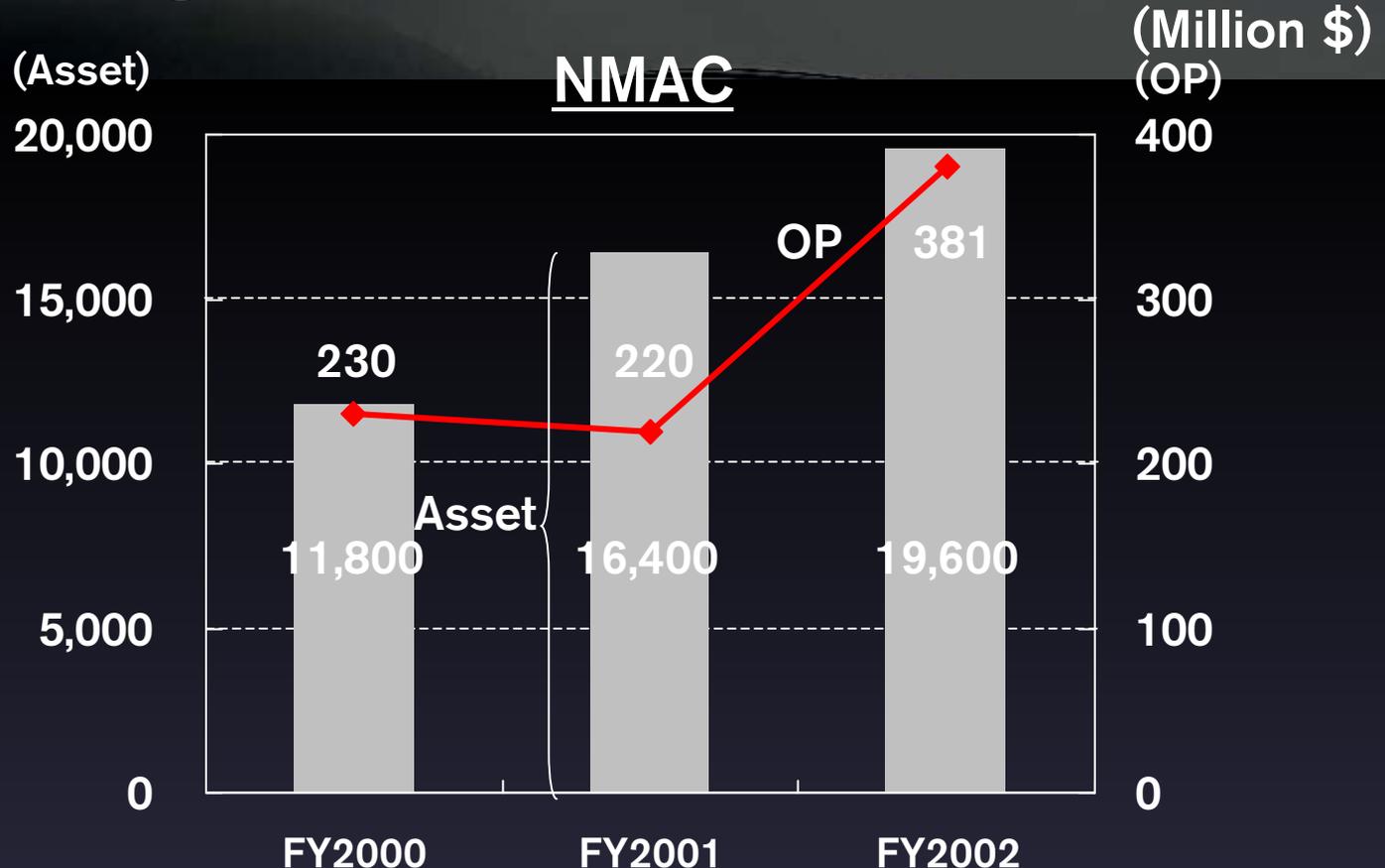
Operating Profit & Asset (NFS)



- OP Annual Compound Growth: 10.4%
- Asset Annual Compound Growth: 15.9%
- FY 2002 Pretax Return on Asset: 1.0%

Sales Financing:

Operating Profit & Asset (NMAC)



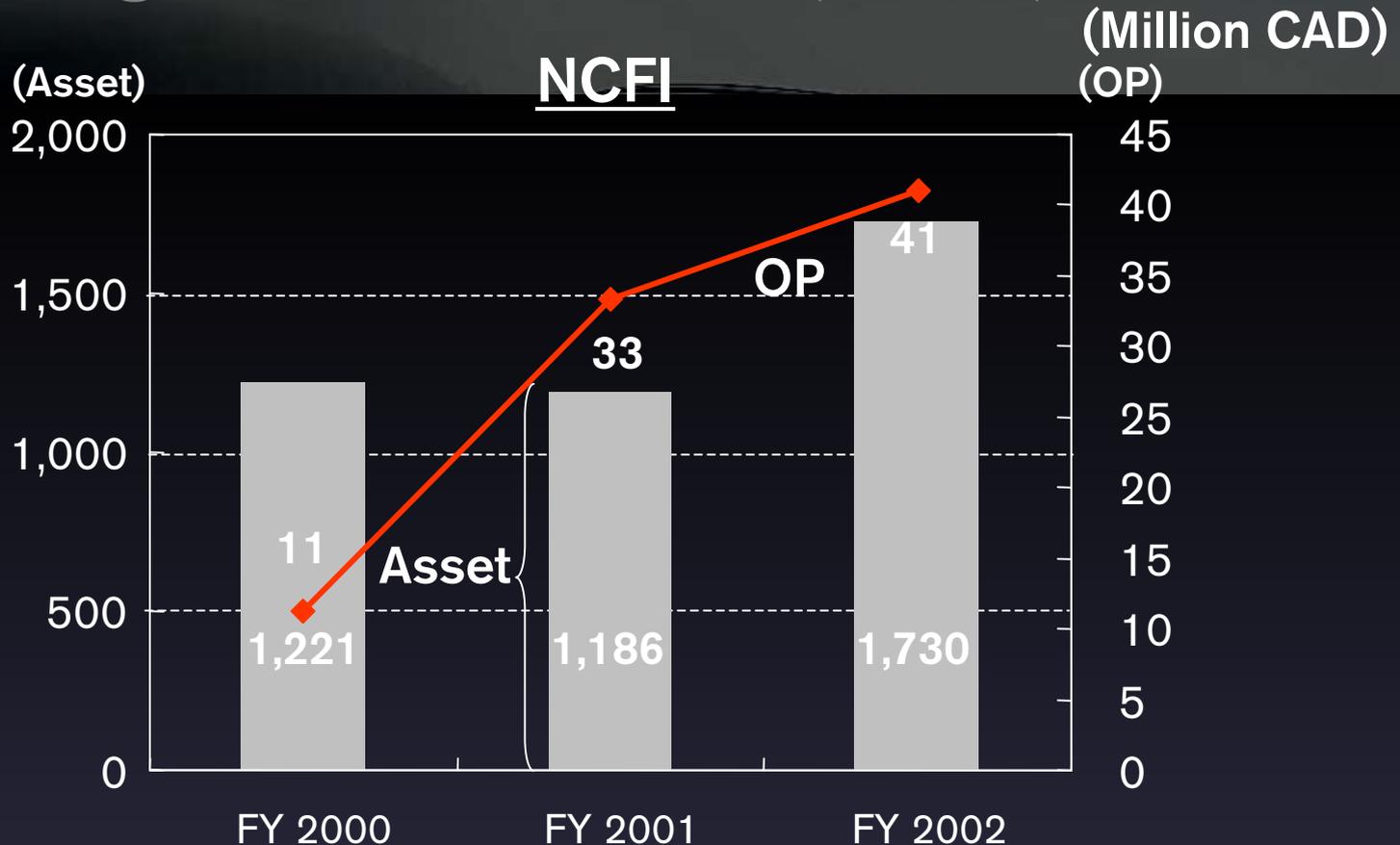
- OP Annual Compound Growth: 28.7%
- Asset Annual Compound Growth: 28.9%
- FY 2002 Pretax Return on Asset: 1.9%

NMAC: Nissan Motor Acceptance Corporation, sales finance company in USA

Sales Financing:



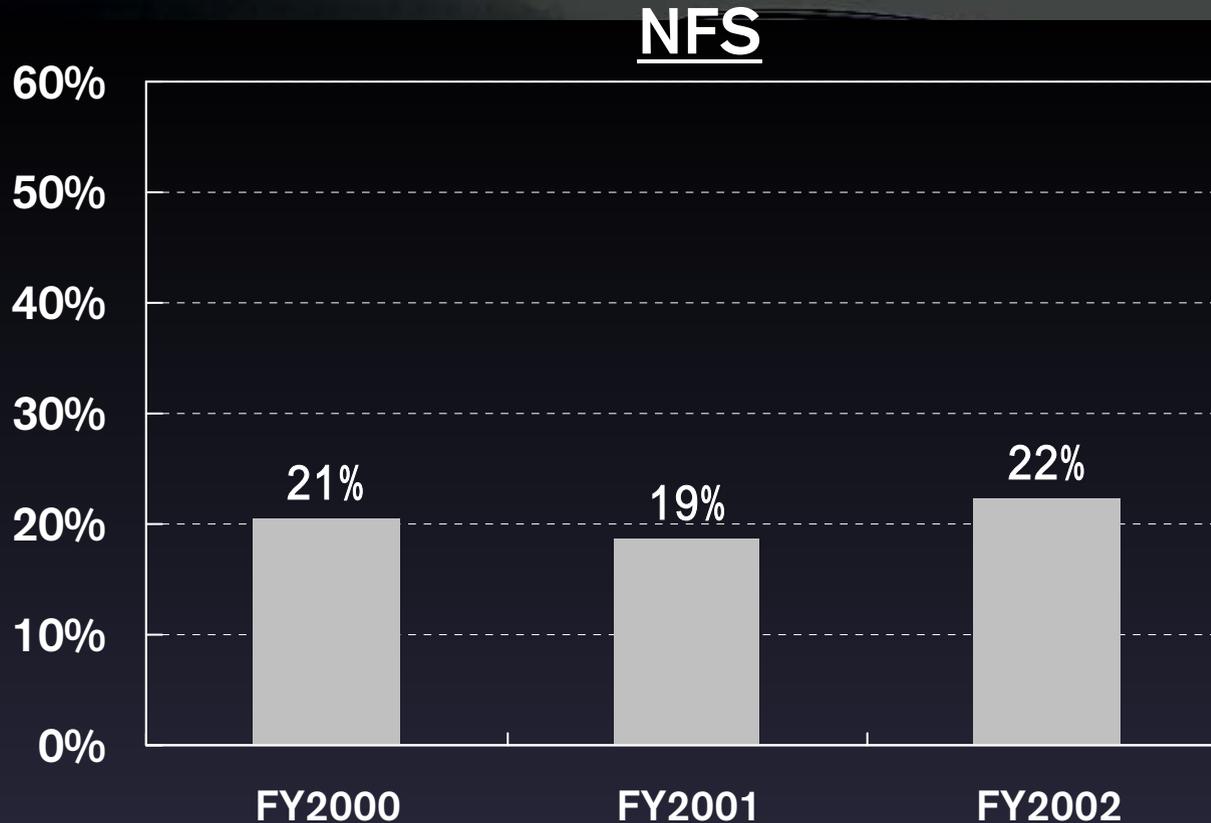
Operating Profit & Asset (NCFI)



- OP Annual Compound Growth: 90.6%
- Asset Annual Compound Growth: 19.0%
- FY 2002 Pretax Return on Asset: 2.4%

NCFI: Nissan Canada Finance Inc., sales finance company in Canada

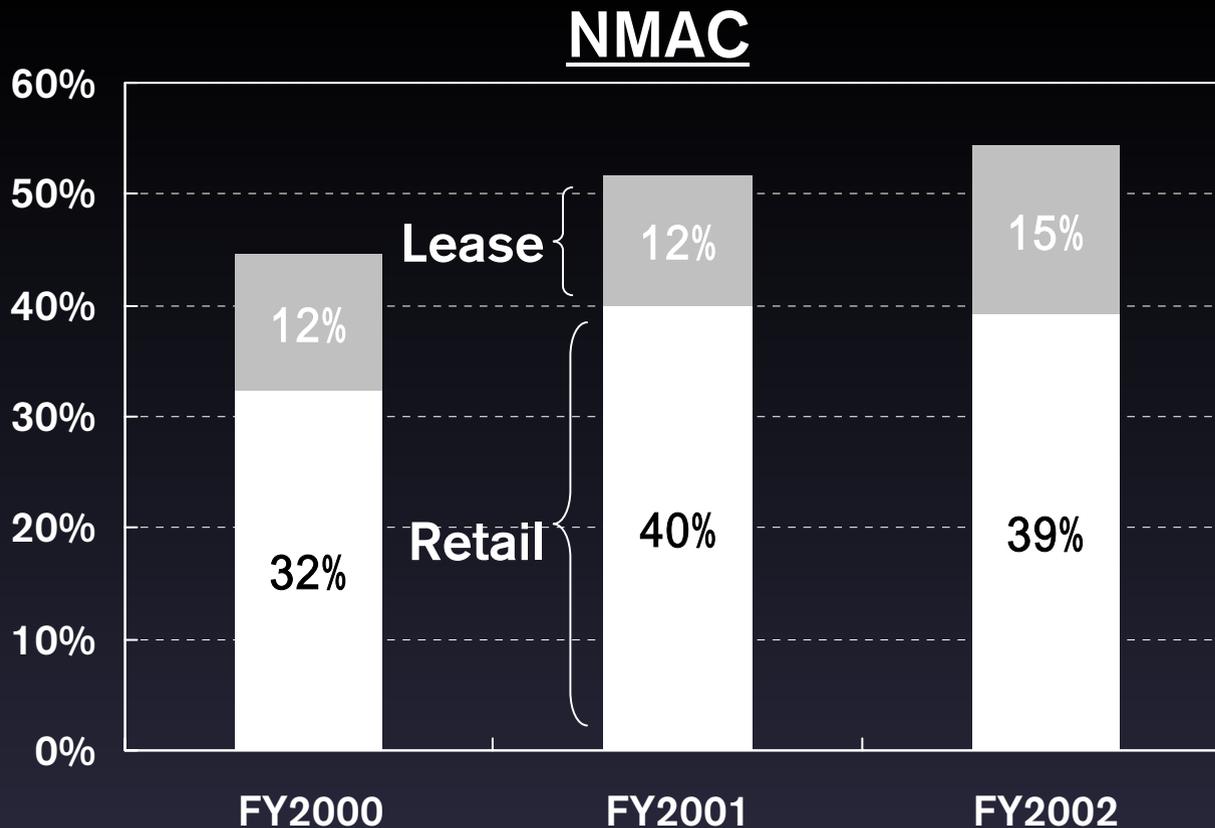
Sales Financing: Penetration (NFS)



Annual Compound Growth: 4.5%

NFS: Nissan Financial Service, sales finance company in Japan

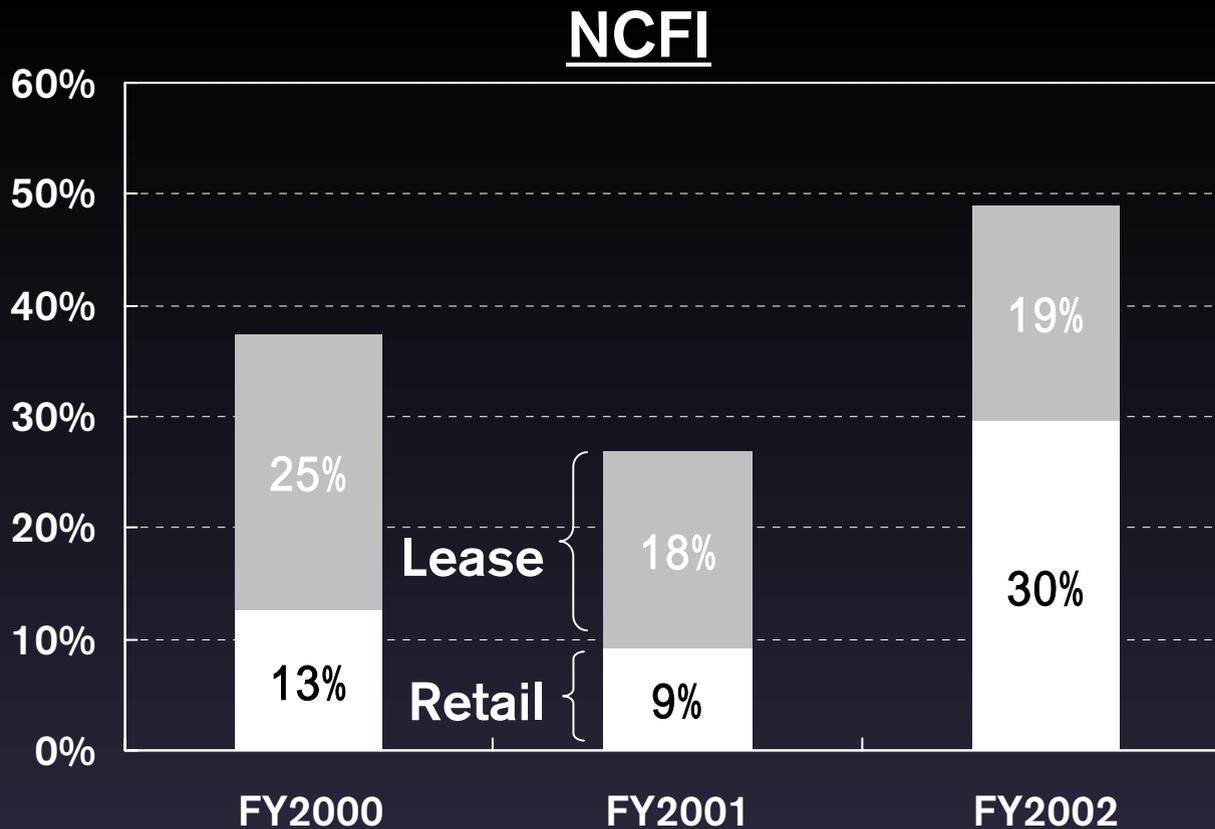
Sales Financing: Penetration (NMAC)



Annual Compound Growth: 10.4%

NMAC: Nissan Motor Acceptance Corporation, sales finance company in USA

Sales Financing: Penetration (NCFI)



Annual Compound Growth: 14.3%

Sales Financing: Net Loss Ratio

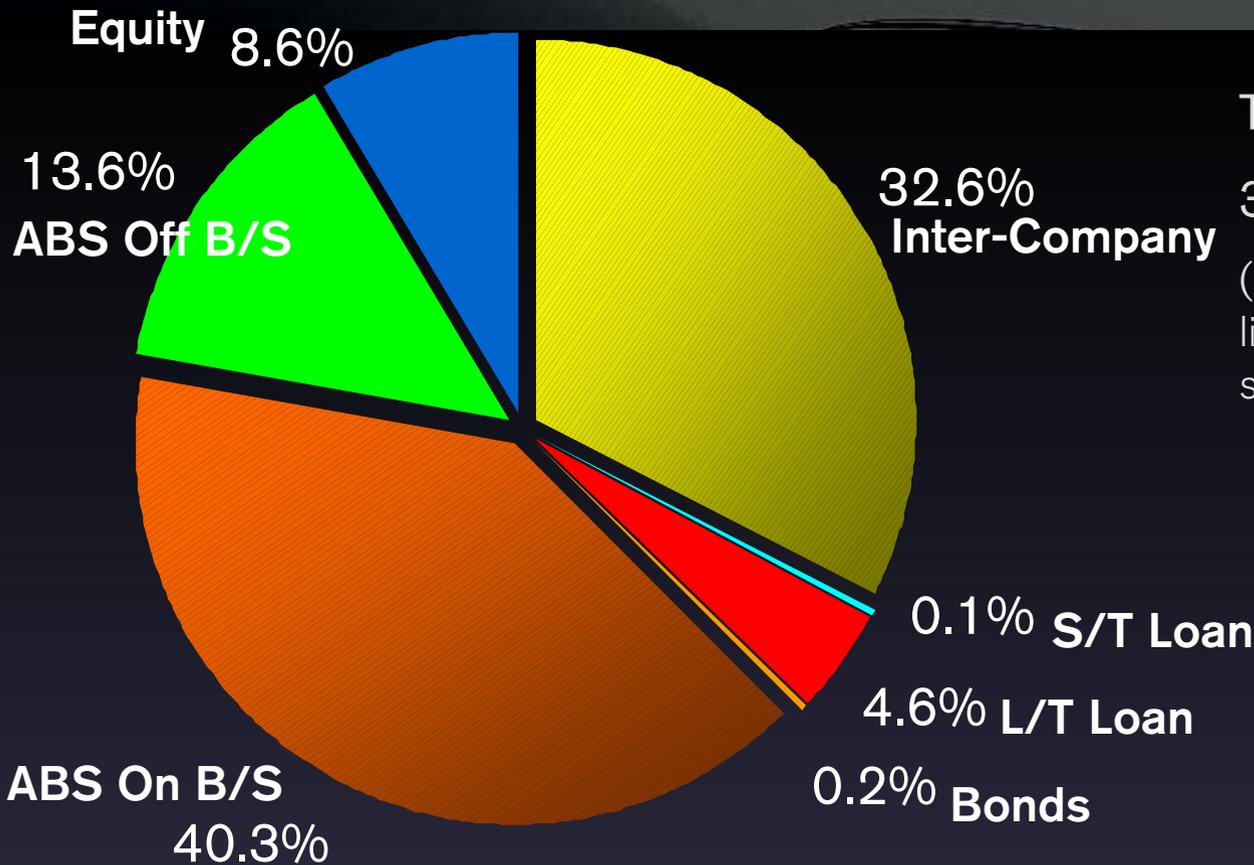
	NFS	NMAC	NCFI
FY 2002	0.42%	Lease: 0.53% Retail: 1.06%	Lease: 0.09% Retail: 0.04%

NFS: Nissan Financial Service, sales finance company in Japan

NMAC: Nissan Motor Acceptance Corporation, sales finance company in USA

NCFI: Nissan Canada Finance Inc. , sales finance company in Canada

Sales Financing: Funding Sources



Total funding amount
3,272 billion Yen
(= Total assets – Other liabilities + off balance sources)

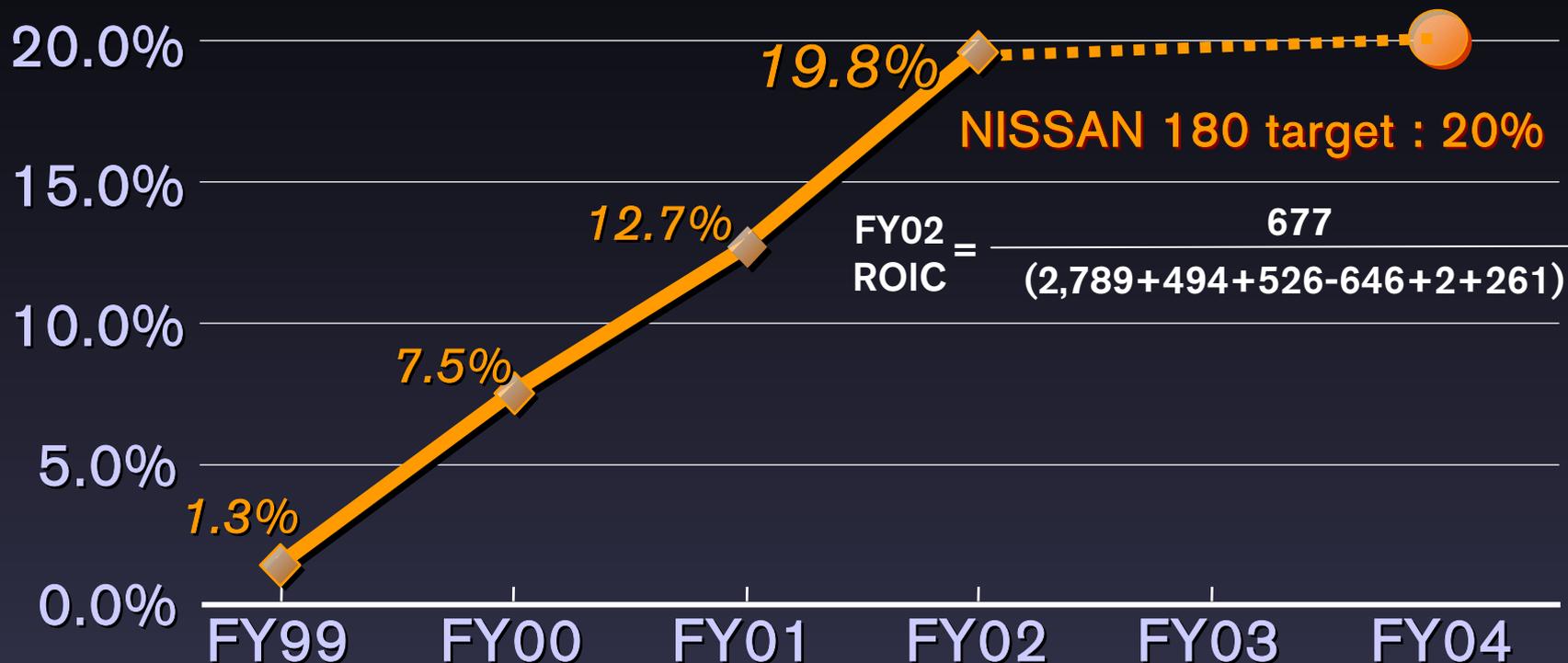
NFS: Nissan Financial Service
NMAC: Nissan Motor Acceptance Corporation
NCFI: Nissan Canada Finance Inc

Automotive: ROIC

(Return On Invested Capital)

$$\text{ROIC (Auto)} = \frac{\text{Consolidated automotive operating profit}}{(\text{Fixed auto assets} + \text{Auto Net working capital} + \text{Auto Cash on hand})}$$

Auto OP	Fixed Assets	AR	Inventory	AP	Deferred Asset	Cash	(Billion Yen)
677.3	2,789.0	494.0	526.1	646.3	2.1	261.7	



Employee “stock options” status

Issue Date	Granted Number	Exercise Price	Status
Mar 1999	10 Million shares	554 JPY	Vested
Mar 2000	35 Million shares	429 JPY	Vested
Mar 2001	59 Million shares	764 JPY	Vested
Mar 2002	60 Million shares	880 JPY	Unvested
Mar 2003	12.4 Million shares	932 JPY	Unvested

Nissan employee share program offers employees compensation set against the set share price taking into consideration basic company performance and individual measurable employee performance conditions.

Dividend policy

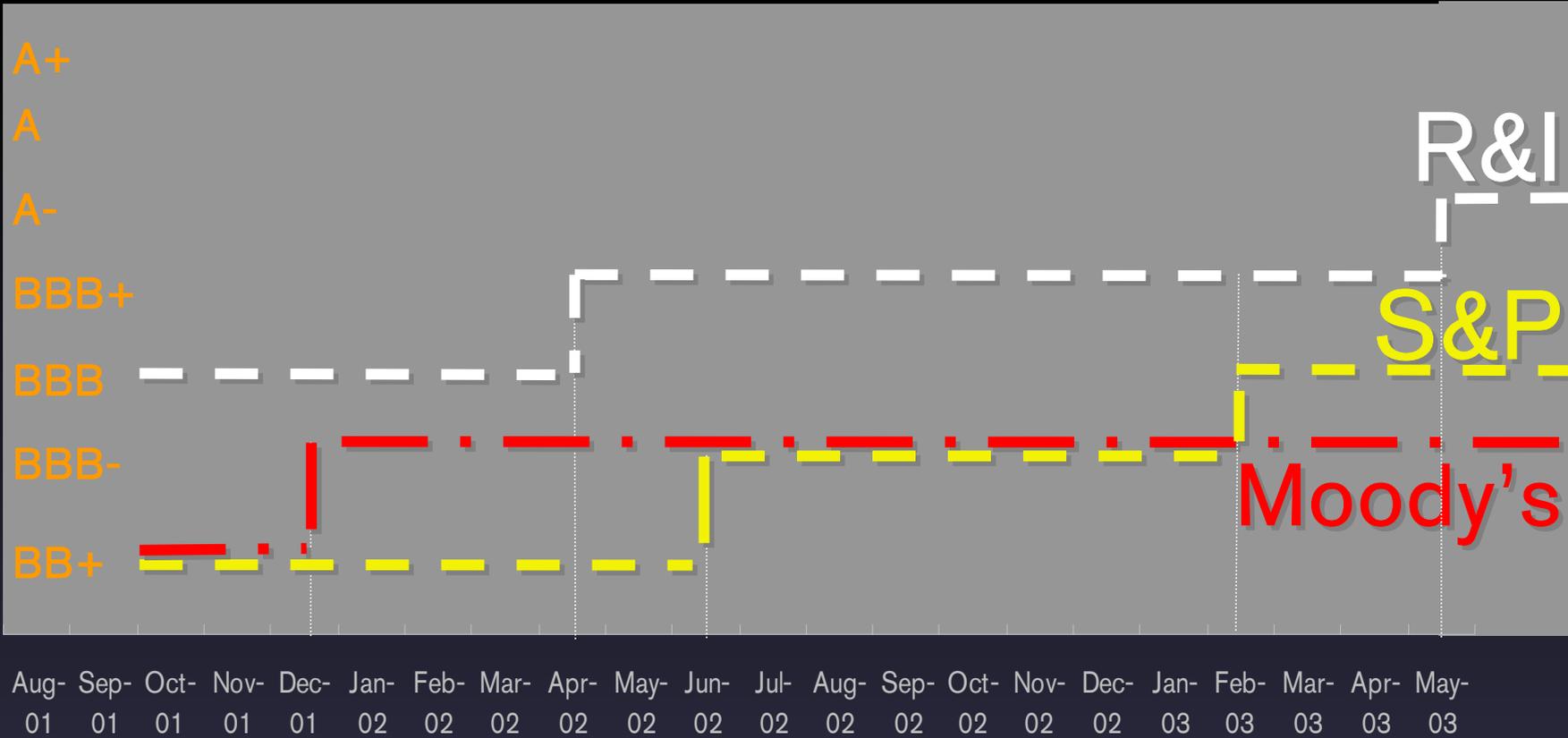
Nissan 180 dividend/share forecast

FY 2001	FY 2002	FY 2003E	FY 2004E
¥8/share	¥14/share	¥19/share	¥24/share

Nissan 180 payout ratio forecast

FY 2001	FY 2002	FY 2003E
9.1%	12.7%	17.1%

Improvement in Ratings



Funding Strategy

1. Continue To Fund Core Businesses

- CAPEX: 420 Billion Yen (5-6% of Net Sales)
- R&D : 360 Billion Yen (4.5-5.0% of Net Sales)
- Captive Finance Companies

2. Ensure Good Access To Liquidity

- Cash
- Commitment Line

3. Diversify Funding Sources

Conclusion

Opening of Canton Plant on May 27th

(Billion Yen)

Start-up Cost	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03E</u>
Phase 1	0.2	1.7	7.6	6.3
Phase 2	0.0	0.0	0.3	5.3
Total	0.2	1.7	7.9	11.6

1USD=121.98JPY

Fixed Cost

Fixed Cost	0.0	0.0	0.0	18.3
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Investment

Phase 1	0.0	32.1	73.0	8.4
Phase 2	0.0	0.0	6.8	46.9
Total	0.0	32.1	79.8	55.3

END