



Business Report

Year Ended March 31, 2004

NISSAN
MOTOR COMPANY



Nissan: Enriching people's lives

2003

NISSAN MOTOR CO., LTD.

Letter from Management

In fiscal year 2003, NISSAN 180 carried our company forward on its course of profitable growth.

Once again, record-setting financial results were produced. Nissan achieved operating profits of 824.9 billion yen, resulting in an 11.1% operating profit margin that remains at the top level among global automakers. Consolidated net revenues reached 7.429 trillion yen, and net profit after tax came to 503.7 billion yen. Return on invested capital reached a record 21.3%.

In the past year, Nissan further leveraged its global reach. We advanced our operations in China through our joint venture with Dong feng, and we believe this major investment will produce long-lasting benefits. We also entered high-volume, full-size segments in the United States for the first time, as the Canton Plant team successfully launched five all-new models in just eight months.

As we begin the final year of NISSAN 180, we do so with renewed pride in our achievements, confidence in our abilities and awareness of the potential ahead. Yet even as our momentum grows, we realize that NISSAN 180 will be considered a success only if the 1 million additional sales are completely delivered. We are focused and determined to meet that commitment.

The growth our company is experiencing has been thoughtfully planned and boldly executed. Our vision is clear, our strategies are articulate, and our motivation to perform is high. Nissan is creating indisputable, sustainable value for all its stakeholders, and we intend to keep the value going firmly up.



Carlos Ghosn
President and CEO

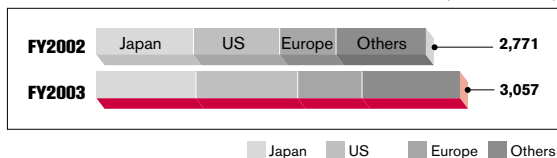
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Facts and Figures

Global retail sales volume

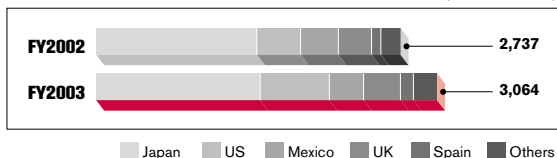
(Thousand units)



	FY2003	FY2002
Global retail (Note1, 2)	Thousand units	
Japan	837	816
US	856	726
Europe	542	474
Others	822	755
Total	3,057	2,771

Global vehicle production volume

(Thousand units)



	FY2003	FY2002
Global production (Note 2)	Thousand units	
Japan	1,475	1,444
US	620	393
Mexico	308	340
UK	332	298
Spain	117	85
Others (Note3)	212	177
Total	3,064	2,737

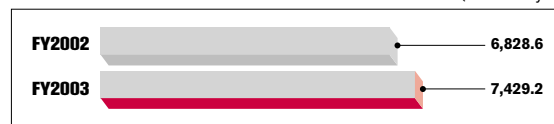
Notes:1. Global retail sales includes sales of vehicles locally assembled with knock down parts.

2. Europe, Mexico and part of others are results of January-December.

3. Others include production in Taiwan, Thailand, Philippines, South Africa, Indonesia and China.

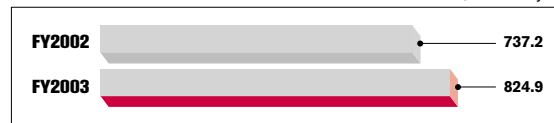
Consolidated net sales

(Billions of yen)



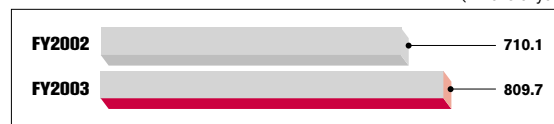
Consolidated operating profit

(Billions of yen)



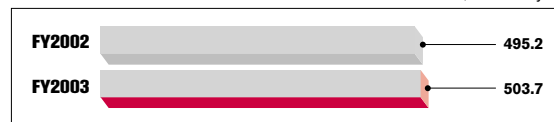
Consolidated ordinary profit

(Billions of yen)



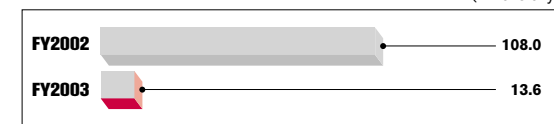
Consolidated net income

(Billions of yen)



Net consolidated automotive debt

(Billions of yen)



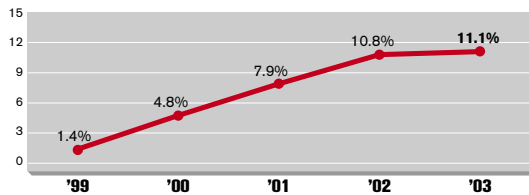
Note: Net consolidated automotive debt have resulted to 8.6 billion yen cash positive (FY2002), 215.9 billion yen cash positive (FY2003) on the same accounting base as FY2001.

Fiscal Year 2003 Business Review

For fiscal year 2003, Nissan reported record earnings and an operating profit margin that continues to lead the global automotive industry. Despite the fact that many anticipated risks materialized last year, Nissan consistently executed its three-year mid-term plan, NISSAN 180, and realized many of the foreseen opportunities.

Consolidated Operating Margin

Fiscal Year 1999-2003

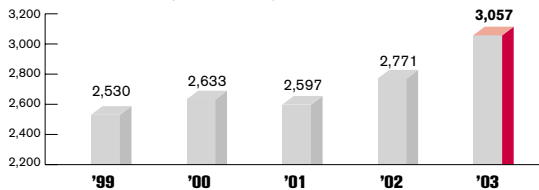


Business performance during fiscal year 2003

Global sales came to 3,057,000 units, which exceeded the company's forecast of 3,040,000 units. This total represents an increase of 10.4%, or 287,000 units, over fiscal year 2002 and the first time in 13 years that Nissan has sold more than 3 million vehicles. In fiscal year 2003, Nissan released 10 all-new models globally, contributing to the total sales.

Global Sales Volume

Fiscal Year 1999-2003 (Thousand units)



Japan

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



March



Cube Cubic

United States

In the United States, sales rose 17.9% to 856,000 units in a market that grew by 1%.

The Nissan Division grew by 16.1% with a richer mix. High-margin trucks rose 34.1%, driven by the Murano and the products from the Canton Plant, most of which are still in the early roll-out phase. Car sales increased by 6.5%, led by sales of the Altima and the new Maxima.

The luxury Infiniti Division had its best year ever, up 29.4%, to 124,000 units. Infiniti benefited from increased sales of the G35 sedan and coupe as well as the FX35



Canton Plant



Murano

and FX45. The first full-sized Infiniti sport utility vehicle, the QX56, was launched successfully in February 2004.

Nissan's U.S. market share for the full year came to 5.1%, up from 4.4%. The pace of growth accelerated in the last quarter of the fiscal year, with Nissan's share reaching 6.1% compared to 4.7% in the last quarter of 2002.



Infiniti QX56

Europe

In Europe, sales increased by 14.4%, to 542,000 units. The new Micra, with 175,000 units sold in its first full year, is bringing new customers to Nissan. Growing sales of 4x4s, particularly the X-TRAIL and Pick-up, also contributed.



X-TRAIL



Micra

General Overseas Markets

In General Overseas Markets, including Mexico and Canada, sales were up 9.0% to 822,000 units. The X-TRAIL was an important contributor, particularly in Australia, where sales were up 23.1%. In China, the new, locally produced Sunny helped Nissan's sales increase 30.4% to 101,000 units.



Sunny

Financial results

Consolidated net revenues came to 7.429 trillion yen, up 8.8% from the prior year, mainly due to higher volume and mix. Consolidated operating profit improved by 11.9% to a record 824.9 billion yen. As a percentage of net revenue, the operating profit margin came to 11.1%, which remains at the top level among global automakers.

By region, operating profits in Japan came to 352.5 billion yen compared to 390.6 billion yen last year. In North America, which includes the United States and Canada, profitability came to 351.8 billion yen compared to 242.0 billion yen in fiscal year 2002. In Europe, operating profit level more than doubled, to 49.2 billion yen from 21.9 billion yen. In General Overseas Markets, operating profits came to 66.0 billion yen compared to 77.6 billion yen. Net income after tax reached 503.7 billion yen, representing an earnings-per-share of 122.02 yen.

Fiscal year 2004

Fiscal year 2004 will mark the final year of NISSAN 180. Nine all-new vehicles will be launched around the world, leading to 20 regional product events, accelerating the pace to achieve the one million additional sales. As the company grows globally, Nissan will continue to increase its investments and take management control of key businesses. In fiscal year 2004 the company will consolidate Yulon Nissan Motor, Nissan Motor Light Truck Company and Siam Nissan and will switch from equity to proportional consolidation of its 50% ownership of Dongfeng Motor Co., Ltd.

Conclusion

At the fifth anniversary of the Alliance, Nissan's vision is unchanged. The company's dream was to deliver profitable growth that would make Nissan a major global automaker in alliance with Renault. The growth Nissan has experienced has been thoughtfully planned and boldly executed. Nissan is indisputably creating significant value for all its stakeholders.

Consolidated Financial Statements

Consolidated Balance Sheets

(As of March 31, 2004)

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

	Amount
ASSETS	
Current assets	3,766,963
Cash on hand and in banks	191,742
Notes & accounts receivable	462,716
Finance receivables	2,203,174
Marketable securities	3,126
Inventories	542,792
Deferred tax assets	169,759
Other current assets	193,654
Fixed assets	4,091,299
Property, plant and equipment	3,203,252
Intangible assets	71,786
Investment securities	360,344
Long-term loans receivable	17,419
Deferred tax assets	162,184
Other fixed assets	276,314
Deferred assets	1,594
Total assets	7,859,856
LIABILITIES	
Current liabilities	3,102,481
Notes & accounts payable	768,201
Short-term borrowings	1,360,798
Deferred tax liabilities	2,545
Accrued warranty costs	45,550
Lease obligation	50,464
Other current liabilities	874,923
Long-term liabilities	2,629,596
Bonds and debentures	542,824
Long-term borrowings	1,067,790
Deferred tax liabilities	291,991
Accrued warranty costs	107,047
Accrued retirement benefits	442,266
Lease obligation	84,179
Other long-term liabilities	93,499
Total liabilities	5,732,077
Minority interests in consolidated subsidiaries	103,785
SHAREHOLDERS' EQUITY	
Common stock	605,814
Capital surplus	804,470
Retained earnings	1,286,299
Unrealized holding gain on securities	4,392
Translation adjustments	(431,744)
Treasury stock	(245,237)
Total shareholders' equity	2,023,994
Total liabilities, minority interests & shareholders' equity	7,859,856

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

Consolidated Statements of Income

(FY2003)

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

	Amount
Net sales	7,429,219
Cost of sales	5,310,172
Gross profit	2,119,047
Selling, general and administrative expenses	1,294,192
Operating income	824,855
Non-operating income	57,277
Interest and dividend income	11,591
Equity in earnings of unconsolidated subsidiaries & affiliates	11,623
Other non-operating income	34,063
Non-operating expenses	72,440
Interest expense	27,290
Amortization of net retirement benefit obligation at transition	13,936
Other non-operating expenses	31,214
Ordinary income	809,692
Extraordinary gains	32,200
Extraordinary losses	105,395
Income before income taxes and minority interests	736,497
Income taxes	137,745
Income taxes deferred	81,295
Minority interests	13,790
Net income	503,667

Consolidated Statements of Cash Flows

(FY2003)

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

	Amount
Operating activities	
Income before income taxes and minority interests	736,497
Depreciation and amortization	461,037
Provision for doubtful receivables	3,732
Unrealized loss on investments	323
Interest and dividend income	(11,591)
Interest expense	63,423
Gain on sales of property, plant and equipment	(4,163)
Loss on disposal of property, plant and equipment	24,823
Loss on sales of investment securities	7,113
Decrease in trade receivables	24,539
Increase in sales finance receivables	(463,110)
Increase in inventories	(28,220)
Increase in trade payables	68,879
Amortization of net retirement benefit obligation at transition	13,936
Retirement benefit expenses	67,262
Retirement benefits paid	(80,650)
Others	45,934
Sub-total	929,764
Interest and dividends received	10,699
Interest paid	(65,231)
Income taxes paid	(77,815)
Total	797,417
Investing activities	
Increase in short-term investments	(710)
Purchases of fixed assets	(428,387)
Proceeds from sales of property, plant and equipment	53,932
Purchases of leased vehicles	(476,613)
Proceeds from sales of leased vehicles	191,105
Collection of long-term loans receivable	4,766
Long-term loans made	(3,741)
Purchases of investment securities	(119,372)
Proceeds from sales of investment securities	40,330
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	192
Additional acquisition of shares of consolidated subsidiaries	(2,531)
Others	(15,097)
Total	(756,126)
Financing activities	
Decrease in short-term borrowings	(137,575)
Increase in long-term borrowings	847,393
Increase in bonds and debentures	150,000
Repayment or redemption of long-term debt	(720,694)
Purchases of treasury stock	(101,957)
Proceeds from sales of treasury stock	9,744
Repayment of lease obligation	(84,742)
Cash dividends paid	(74,594)
Others	(1,315)
Total	(113,740)
Effect of exchange rate changes on cash and cash equivalents	(2,604)
Decrease in cash and cash equivalents	(75,053)
Cash and cash equivalent at beginning of the period	269,817
Increase due to inclusion in consolidation	310
Decrease due to exclusion from consolidation	(910)
Cash and cash equivalent at end of the period	194,164

2.

Notice of convocation of the 105th ordinary general meeting of shareholders, an attached document

(This is a translation of the original
Japanese-language document distributed
to shareholders in Japan.)

1. Eigyo-Houkokusho

1 Review of the Fiscal Year 2003

(1) Operations and results

In fiscal year 2003 ended March 31 2004, total demand for automobiles in the Japan market (including mini cars) increased by 0.4% from the previous year, to 5,890,000 units.

Total automotive exports from Japan (including mini cars) kept the same level compared to the previous year, to 4,770,000 units. Nissan's domestic sales volume (including mini cars) increased by 2.6% from the previous year to 837,000 units. Market share (including mini cars) came to 14.2%, up 0.3 point compared to fiscal year 2002. The number of Nissan's export vehicles increased by 3.7%, to 719,000 units.

Nissan's global sales volume increased by 10.4%, to 3,057,000 units.

Nissan's global production volume was 3,064,000 units, increased by 12.0%, from the previous year. Nissan's domestic production volume was 1,475,000 units, an increase of 2.1% while overseas production volume increased by 23.0%, to 1,589,000 units.

Nissan's non-consolidated sales of the automobile divisions including overseas production parts, components and accessories and repair parts was 3,443.1 billion yen, an increase of 1.7 % from the previous year, due to an increase of sales volume.

Nissan's non-consolidated total sales including Industrial Machinery came to 3,480.2 billion yen, an increase of 1.8 % from the previous year.

As for Nissan's non-consolidated financial results for the fiscal year 2003 ended March 31, 2004, the company recorded the operating profit of 245.8 billion yen and the ordinary profit of 228.0 billion yen, down from the previous year, as the loss from strong yen was over the profit from increase of sales, cost reduction, and so on. Net income before taxes comes to 192.8 billion yen, increased from the previous year, and we recognized the tax cost of 112.1 billion yen. Net income after taxes resulted to 80.7 billion yen.

We propose to increase a year-end dividend by 1 yen per share from the previous year to 11 yen. As a result, the total amount of dividends for this 104th fiscal year, including the interim dividend, will reach 19 yen per share, which represents an increase of 5 yen compared with the previous year.

(2) Sales by Division

	Value (¥ billion)	Percentage of sales (%)	Year-on- Year percentage (%)
Automobile Division			
Vehicles	2,615.0	75.1	98.8
Overseas production parts and components	376.9	10.8	123.0
Accessories and repair parts	282.7	8.1	101.0
Others	168.4	4.9	108.9
Automobile Division: total	3,443.1	98.9	101.7
Other Divisions (Industrial Machinery)			
Other Divisions: total	37.1	1.1	114.4
Grand total	3,480.2	100.0	101.8

Notes: 1. The stated value figures have been rounded down to the nearest 100 million yen.

2. The category 'Others' in Automobile Division consists of receivable royalties, equipment and tools for production.

(3) Capital investment

Capital investment on a non-consolidated basis in the fiscal year 2003 ended March 31, 2004, totaled 117.5 billion yen, concentrated on development of new products, safety and environmental technology and on efficiency improvement of the production system.

(4) Business Funding

Nissan issued 120.0 billion yen straight bond in the domestic capital market. Proceeds were used for general working capital.

(5) Financial Performance Highlights

(Billions of yen, except per share amounts)

	FY2000	FY2001	FY2002	FY2003
Net sales	2,980.1	3,019.8	3,419.0	3,480.2
Net income	187.4	183.4	72.8	80.7
Net income per share [yen]	47.14	45.61	16.09	18.15
Total assets	3,576.4	3,915.0	3,933.9	4,055.5
Shareholders' equity	1,450.1	1,829.0	1,798.7	1,709.7
Shareholders' equity per share [yen]	364.61	404.94	402.65	388.60

* FY2003 covers the period from April 1, 2003 to March 31, 2004.

Notes: 1. Figures have been rounded down to the nearest 100 million yen.

2. Net income per share amounts are based on the average number of shares outstanding during the fiscal year.

Shareholders' equity per share have been calculated according to the numbers of shares outstanding as of the end of FY2001, FY2002 and FY2003, which do not include that of treasury stock.

Net income per share and shareholders' equity per share as of the end of FY2002 and FY2003 have been calculated based on the net income shown in the statement of income and the total shareholders' equity in the balance sheets reduced by bonuses to directors and corporate auditors to be paid as appropriations of retained earnings.

3. For the fiscal year 2001, the main factors leading to the increase in shareholders' equity per share are the net income and exercise of the warrants by Renault. Net income is uncharged from previous year despite higher operating profit due to the re-evaluation of investment securities in subsidiaries.

4. For the fiscal year 2002, the main factor decreasing net income despite the higher income before income taxes was that the Company recorded income taxes at a normal rate for the fiscal year 2002, although the Company enjoyed income taxes benefit of 110.4 billion yen for the fiscal year 2001.

5. For the fiscal year 2003, the main factors leading to the decrease in shareholders' equity per share was due to the acquisition of treasury stock.

2 Issues and Outlook for the Fiscal Year Ahead

In fiscal year 2004, the final year of the NISSAN 180 business plan, Nissan expects to completely deliver the plan's three commitments, which are:

- 1 million additional unit sales worldwide on an annualized basis by the end of fiscal year 2004, measured between October 2004 and September 2005 compared to fiscal year 2001 for Nissan and associated brands;
- an 8% consolidated operating margin on constant accounting standards, positioning Nissan among the top rank of global automakers; and
- zero net consolidated automotive debt on constant accounting standards.

Two of the commitments were achieved in fiscal year 2002: Nissan has surpassed the 8% operating margin commitment, and net consolidated automotive debt at constant accounting standards has been totally eliminated. The only remaining commitment is the 1 million additional unit sales, which Nissan fully expects to deliver.

In fiscal year 2004, Nissan will launch nine all-new products, representing a total of 20 regional product events worldwide. Since most of the new models are planned to be launched in the second half of the fiscal year, sales are expected to accelerate toward the end of the fiscal year and through September 2005, when the NISSAN 180 sales will be measured.

In Japan, a flat market for the auto industry is expected. Nissan plans to increase sales through the launch of six new models, including a luxury sedan, four compact cars and the Murano, Nissan's first entry into the crossover sport utility vehicle segment.

In the United States, sales of the full-size truck and minivan models from Nissan's plant in Canton, Mississippi, are expected to increase, establishing the Nissan and Infiniti brands in segments where the company had no presence in the past. In a flat market, both the Nissan and Infiniti brands are expected to achieve significant volume gains, due to the six new

products that will be launched in the U.S., including replacements for high-volume models such as the Xterra, the Frontier and the Pathfinder.

In Europe, the FY03 sales level is expected to be maintained in a relatively flat market. No new models are planned for this market in fiscal year 2004, but the Micra and 4x4 models are expected to continue to make a strong contribution to the region's performance.

In the General Overseas Markets and Mexico, growth is anticipated as eight new models will be launched. For the first time, sales of Dongfeng Motor Company light commercial vehicles will be included in Nissan's consolidated sales figures.

On a global basis, Nissan will continue to deliver performance that produces sustainable, profitable growth and significant value for all its stakeholders.

The support and continuing involvement of shareholders is welcome and appreciated.

3 Corporate Data

(as of fiscal year-end, March 31, 2004)

(1) Principal Business Operations

The Company's business divisions and principal products are as follows:

Division	Principal products	
Automobile Division	Passenger cars	President, Cima, Cedric, Gloria, Teana, Skyline, Crew, Primera, Bluebird Sylphy, Sunny, Cube, March, Moco, Stagea, Avenir, Wingroad, Elgrand, Presage, Serena, Liberty, Fairlady Z, Safari, X-trail
	Commercial vehicles	Expert, AD Van, Caravan, Vanette, Atlas, Civilian, Clipper
	Overseas production parts and components	Various production parts and components for overseas plants
	Accessory and repair parts	Various service parts for domestic and overseas use
	Industrial Machinery	Gasoline, diesel and battery-powered forklifts

(2) Principal Offices, Facilities and Factories in Japan

Registered Head Office: 2, Takara-cho, Kanagawa-ku, Yokohama, Kanagawa Prefecture

Office / Facility / Factory	Location
Corporate Headquarters	Tokyo
Yokohama Plant	Kanagawa Prefecture
Oppama Plant, Wharf and Central Engineering Laboratories	Kanagawa Prefecture
Tochigi Plant	Tochigi Prefecture
Kyushu Plant and Kanda Wharf	Fukuoka Prefecture
Iwaki Plant	Fukushima Prefecture
Zama Operations Office	Kanagawa Prefecture
Nissan Technical Center	Kanagawa Prefecture
Hokkaido Proving Grounds	Hokkaido
Sagamihara Parts Center	Kanagawa Prefecture
Honmoku Wharf	Kanagawa Prefecture
Nissan Education Center	Kanagawa Prefecture

(3) Share Data

- ① Number of authorized shares6,000,000,000
- ② Number of shares issued4,520,715,112
- ③ Number of shareholders142,108
(an increase of 22,668 compared with the previous fiscal year-end)
- ④ The outlines of Shin-Kabu-Yoyaku-Ken
 - Number of units of Shin-Kabu-Yoyaku-Ken124,050 units
 - Kind and number of shares to be issued upon exercise of Shin-Kabu-Yoyaku-Ken12,405,000 common shares of the Company
 - Issue price of each Shin-Kabu-Yoyaku-KenWithout consideration

⑤ Principal Shareholders

	Number of shares (thousands)	% of voting rights held
1. Renault	2,004,000	45.6
2. Japan Trustee Services Bank Ltd. (Trust)	249,240	5.7
3. The Master Trust Bank of Japan, Ltd. (Trust)	197,126	4.5
4. The Dai-ichi Mutual Life Insurance Company	86,957	2.0
5. Nippon Life Insurance Company	80,473	1.8
6. The State Street Bank and Trust Company	77,408	1.8
7. Sompo Japan Insurance Inc.	63,528	1.4
8. The Chase Manhattan Bank N.A. London	55,351	1.3
9. Morgan Grenfel and Co. Limited 600	55,254	1.3
10. Moxley & Co.	47,085	1.1

Nissan's Investments in its Principal Shareholders

	Number of shares (thousands)	% of voting rights held
1. Renault	—	—
2. Japan Trustee Services Bank Ltd. (Trust)	—	—
3. The Master Trust Bank of Japan, Ltd. (Trust)	—	—
4. The Dai-ichi Mutual Life Insurance Company	—	—
5. Nippon Life Insurance Company	—	—
6. The State Street Bank and Trust Company	—	—
7. Sompo Japan Insurance Inc.	—	—
8. The Chase Manhattan Bank N.A. London	—	—
9. Morgan Grenfel and Co. Limited 600	—	—
10. Moxley & Co.	—	—

Notes: 1. The number of shares has been rounded down to the nearest thousand.
 2. Nissan Motor Co., Ltd. acquired 42,740 thousand shares of Renault through Nissan's wholly owned subsidiary, Nissan Finance Co., Ltd.
 3. Nissan Motor Co., Ltd. has held the treasury stock of 122,116 thousand shares.

(4) Acquisition, disposal etc, and holding of treasury stock

① Treasury stock acquired

Common share 85,777,256 shares
 Total value of treasury stock acquired 101,956 million yen

② Treasury stock disposed

Common share 18,173,706 shares
 Total value of treasury stock disposed 18,625 million yen

③ Treasury stock as of March 31, 2004

Common share 122,116,426 shares

(5) Employee Information

Number of employees	Change from the previous year	Average age	Average years of service
31,389(463)*1	(261)*2	40.8	19.7

Notes: 1. Number of employees is employees' head count. ()*1 indicates a part-time worker in the end of a term (not included in number of employees).
 2. ()*2 indicates an increase.

(6) Principal Group Companies

① List of name, capital, ratio of voting rights held, main business

Company name main business	Capital [¥ millions]	% ratio of voting rights held
Nissan Diesel Motor Co., Ltd. Manufacture/sale of vehicles and auto parts	65,835	(24.1)
JATCO Ltd. Manufacture/sale of auto parts	29,935	81.8
Calsonic Kansei Corporation Manufacture/sale of auto parts	19,838	27.7
Nissan Financial Services Co., Ltd. Leasing and financing of vehicles	16,387	100.0
Aichi Machine Industry Co., Ltd. Manufacture/sale of auto parts	8,518	41.7
Nissan Shatai Co., Ltd. Manufacture/sale of vehicles and auto parts	7,904	43.8
Nissan Finance Co., Ltd. Financial and accounting service for group companies	2,491	100.0
Nissan Kohki Co., Ltd. Manufacture/sale of auto parts	2,020	97.7
Aichi Nissan Motor Co., Ltd. Sale of vehicles and auto parts	4,000	100.0
Tokyo Nissan Motor Sales Co., Ltd. Sale of vehicles and auto parts	3,400	100.0
Nissan Prince Tokyo Motor Sales Co., Ltd. Sale of vehicles and auto parts	3,246	100.0
Nissan Satio Osaka Co., Ltd. Sale of vehicles and auto parts	10	100.0

Company name main business	Capital [millions]	% ratio of voting rights held
Nissan North America, Inc. Headquarters for North American operations Manufacture/sale of vehicles and auto parts	US\$ 1,791	100.0
Nissan Motor Acceptance Corporation Retail and wholesale vehicle financing in the U.S.	US\$ 499	(100.0)
Nissan Forklift Corporation, North America Manufacture/sale of industrial machinery, industrial engines and parts	US\$ 34	(100.0)
Nissan Technical Center North America, Inc. Vehicle R&D, evaluation, certification	US\$ 16	(100.0)
Nissan Canada, Inc. Sale of vehicles and auto parts	C\$ 68	(100.0)
Nissan Mexicana, S.A. de C.V. Manufacture/sale of vehicles and auto parts	Peso 17,056	(100.0)
Nissan Motor Manufacturing (UK) Ltd. Manufacture/sale of vehicles and auto parts	£ 250	(100.0)
Nissan Motor (GB) Ltd. Sales of vehicles and auto parts	£ 136	(100.0)
Nissan Technical Centre Europe Limited Vehicle R&D, evaluation, certification	£ 15	(100.0)
Nissan Europe S.A.S. Headquarters for European sales and manufacturing operations	Euro 1,626	100.0
Nissan Motor Ibérica, S.A. Manufacture/sale of vehicles and auto parts	Euro 725	(99.7)
Nissan Motor Co. (Australia) Pty. Ltd. Sale of vehicles and auto parts	A\$ 290	100.0

Notes: 1. The figures for capital are rounded down to the nearest unit.
2. () indicates that the figure includes indirect ownership.
3. Nissan Satio Osaka Co., Ltd. and Nissan Prince Osaka Sales Co., Ltd. merged on April 1, 2004 to become Nissan Prince Osaka Sales Co., Ltd.

② Operations and Results (Consolidated Financial Summary)

Nissan Motor has 186 consolidated subsidiaries (234 in the previous fiscal year) and 61 subsidiaries and affiliates (40 in the previous fiscal year) accounted for by the equity method. Consolidated net sales is 7,429.2 billion yen, an increase of 600.6 billion yen compared to the previous fiscal year. Consolidated net income is 503.6 billion, an increase of 8.5 billion yen compared to the previous fiscal year.

③ Operations and Results

(Principal Developments within The Nissan Group)

Nissan Diesel Motor Co., Ltd. reacquired a part of shares owned by Renault without compensation and eliminated them as treasury stocks, while they issued preferred stocks in order to enhance their financial position. As a consequence the capital of Nissan Diesel Motor Co., Ltd. and the ratio of voting rights held by Nissan Motor Co., Ltd. were increased.

Calsonic Kansei Corporation issued additional shares of common stock in response to the exercise of stock warrants. As a consequence the capital of Calsonic Kansei Corporation was increased, while the ratio of voting rights held by Nissan Motor Co., Ltd. was decreased.

The capital of Nissan Satio Osaka Co., Ltd. was decreased without redemption in preparation to merge with Nissan Prince Osaka Sales Co., Ltd.

④ Principal Tie-up Relationship

Corporate name of partner	Scope of tie-up	Contract date
Renault	Broad automotive business alliance, including capital participation	March 1999

(7) Major Lenders

	Amount of outstanding loan [¥ billions]	Number of shares of the Company held ['000s]	% of voting rights held
1. Nissan International Finance (Netherlands) B.V.	93.8	-	-
2. Mizuho Corporate Bank	40.0	-	-
3. Development Bank of Japan	27.7	-	-
4. Sumitomo Life Insurance Company	10.0	1,100	0.0
5. The Dai-ichi Mutual Life Insurance Company	5.0	86,957	2.0
6. Nippon Life Insurance Company	5.0	80,473	1.8
7. Mitsui Mutual Life Insurance Company	1.0	7	0.0
8. Meiji Yasuda Life Insurance Company	1.0	10,000	0.2

Note: The figures for loan amounts and number of shares have been rounded down to the nearest unit.

(8) Directors and Statutory Auditors

Officer	Responsibilities
President and CEO	
Carlos Ghosn*	Japan Operations(MC-J), China Operations, Product Strategy and Product Planning, Customer Service, Global Communications and IR, External and Governmental Affairs, Human Resources, Treasury, Global Internal Audit, Alliance Coordination, Support, Organization and Administrative efficiency, Global Motor Sports
Directors	
Itaru Koeda*	Administration for AFLs(MC-AFL), Purchasing
Nobuo Okubo	Research Technology and Engineering Development, Cost Engineering
Norio Matsumura	North American Operations (MC-NA and MC-US), MC-Dealer, Global Sales and Marketing, Global Aftersales Business
Patrick Pelata	European Operations (MC-E), Planning and Design
Tadao Takahashi	Manufacturing and SCM(Supply Chain Management), Industrial Machinery, Marine
Shemaya Levy	
Statutory Auditors	
Hiroshi Moriyama	Full time
Haruhiko Takenaka	Full time
Keishi Imamura	Full time
Hideo Nakamura	

- Notes: 1. * indicates a representative director.
2. Shemaya Levy is outside director provided the 7-2 for in Paragraph 2 of Article 188 of the "the Commercial Code."
3. Haruhiko Takenaka, Keishi Imamura and Hideo Nakamura are outside statutory auditors provided for in Paragraph 1 of Article 18 of the "Act Providing an Exception to the Commercial Code for Auditing Stock Companies."

4. During the fiscal year (FY2003) the following Directors retired from the Company:

Position at Time of Leaving	Name	Responsibilities at Time of Leaving	Date of Leaving
Chairman	Yoshikazu Hanawa		June 19, 2003 (expired)
Director	Thierry Moulouguet	CFO, Treasury, Global IS	June 19, 2003 (expired)

5. On April 1, 2004, certain responsibilities of the Directors were changed. The system of Directors after the change is as follows:

Officer	Responsibilities
President and CEO	
Carlos Ghosn*	North American Operations(MC-NA and MC-US), Product Strategy and Product Planning, Corporate Quality Assurance and Customer Service, Human Resources, Treasury, Global Communications and IR, Global Internal Audit
Directors	
Itaru Koeda*	Administration for AFLs(MC-AFL), External and Government Affairs
Nobuo Okubo	Research, Technology and Engineering Development, Cost Engineering
Norio Matsumura	Japan Operations(MC-J)(MC-Dealer), Global Marketing and Sales, Global Aftersales Business
Patrick Pelata	European Operations(MC-E), Planning and Design, LCV Business Unit
Tadao Takahashi	Manufacturing and SCM (Supply Chain Management), Industrial Machinery, Marine
Shemaya Levy	
Statutory Auditors	
Hiroshi Moriyama	Full time
Haruhiko Takenaka	Full time
Keishi Imamura	Full time
Hideo Nakamura	

- Notes: 1. * indicates a representative director.
2. Toshiyuki Shiga, a corporate officer, assumed the position of responsible for "China Operations", and Hiroto Saikawa, a corporate officer, assumed the position of responsible for "Purchasing" as from April 1, 2004.

(9) The amount of compensation paid to Directors and Statutory Auditors

Director	9 members	1,642 million yen
Statutory Auditors	4 members	77 million yen

Note: In addition to above, the company paid 390 million yen as compensation by profit appropriation to directors (6 persons) and 693 million yen as retirement allowances to director who had resigned (2 persons). Also, company granted to 6 directors, based upon the resolution at the 104th Ordinary General Meeting of Shareholders on June 19, 2003, Share Appreciation Rights ("SAR") equivalent to 4,400,000 common shares of the company among 6,000,000 share equivalent approved by the above resolution.

The number of exercisable SAR varies depending upon performance achievement level of the grantees and, for that reason, it is difficult to calculate its amount, and therefore such amount is not included in the above compensation amount.

(10) Status of Shin-Kabu-Yoyaku-Ken allotted to persons other than shareholders on especially advantageous conditions (Stock Options)

- ① Total number of Shin-Kabu-Yoyaku-Ken
124,050(100shares per 1 unit of Shin-Kabu-Yoyaku-Ken)
- ② Kind and number of shares to be issued upon exercise of Shin-Kabu-Yoyaku-Ken: 12,405,000 common shares of the Company
- ③ Issue price of Shin-Kabu-Yoyaku-Ken
¥0
- ④ Amount to be paid upon exercise of Shin-Kabu-Yoyaku-Ken
¥93,200 per Shin-Kabu-Yoyaku-Ken
¥932 per share
- ⑤ Exercise period of Shin-Kabu-Yoyaku-Ken
On and after May 8, 2005 (Japan Time) and up to May 8, 2010 (Japan Time)
- ⑥ Conditions for exercise of Shin-Kabu-Yoyaku-Ken
 - Shin-Kabu-Yoyaku-Ken Holder has been employed continuously by the Company, subsidiaries or affiliates of the Company or retained continuously a mandate relationship until the day when Shin-Kabu-Yoyaku-Ken is exercisable.
 - Performance of the Company satisfies a certain level.
 - Shin-Kabu-Yoyaku-Ken Holder has achieved business targets, etc., established respectively to each holder.Additionally, details of the above mentioned conditions and other conditions shall be as stipulated in Shin-Kabu-Yoyaku-Ken.
Allotment Agreement that is to be made and entered into by and between the Company and Shin-Kabu-Yoyaku-Ken Holder upon resolution of the Board of Directors Meeting of the Company.
- ⑦ Cancellation of Shin-Kabu-Yoyaku-Ken
The Company shall cancel at no charge Shin-Kabu-Yoyaku-Ken that have not been exercised due to failing to satisfy all or part of the conditions as set ⑥ above.
- ⑧ Details of advantageous condition
The company issued Shin-Kabu-Yoyaku-Ken for no value and allotted to Employees of the Company, Directors of subsidiaries, Employees of subsidiaries.

⑨ Name of persons and allotted number of Shin-Kabu-Yoyaku-Ken

- Employees of the Company, Directors of subsidiaries, Employees of subsidiaries

Name	Number of Shin-Kabu-Yoyaku-Ken	Note
EIICHI ABE	200	Employee of the Company (Officer)
TAKESHI ISAYAMA	200	Employee of the Company (Officer)
SHIGEO ISHIDA	200	Employee of the Company (Officer)
EJI IMAI	200	Employee of the Company (Officer)
HIDETOSHI IMAZU	200	Employee of the Company (Officer)
HIROYASU KAN	200	Employee of the Company (Officer)
YUKIO KITAHORA	200	Employee of the Company (Officer)
HIROTO SAIKAWA	200	Employee of the Company (Officer)
TOSHIYUKI SHIGA	200	Employee of the Company (Officer)
SADAO SEKIYAMA	200	Employee of the Company (Officer)
KAZUHIKO TODA	200	Employee of the Company (Officer)
SHIROU TOMII	200	Employee of the Company (Officer)
KATSUMI NAKAMURA	200	Employee of the Company (Officer)
SHIROU NAKAMURA	200	Employee of the Company (Officer)
SHUJI YAMAGATA	200	Employee of the Company (Officer)
JEAN-JACQUES LEGOFF	200	Employee of the Company (Officer)
BERNARD REY	200	Employee of the Company (Officer)
ALAIN-PIERRE RAYNAUD	200	Employee of the Company (Officer)
KUNIYUKI WATANABE	200	Employee of the Company (Officer)

- Classification of the number of Shin-Kabu-Yoyaku-Ken allotted to Employees of the Company, Directors and Employees of Subsidiaries.

	Number of Shin-Kabu-Yoyaku-Ken	Kind of shares subject to be issued upon exercise of Shin-Kabu-Yoyaku-Ken	Number of persons
Employees of the Company	103,850	common share 10,385,000	548
Directors of Subsidiaries	19,400	common share 1,940,000	101
Employees of Subsidiaries	800	common share 80,000	5

Note: Directors and Auditors of the Company are not allotted any Shin-Kabu-Yoyaku-Ken.

4 Important Events Subsequent to the Balance Sheet Date

Issuance of Shin-Kabu-Yoyaku-Ken

On April 7, 2004, the Board of Directors of the Company has resolved to issue Shin-Kabu-Yoyaku-Ken on April 16, 2004, to employees of the Company, as well as directors and employees of its subsidiaries as stock options without value in accordance with the Article 280-20 and 280-21 of the Commercial Code and the resolution of the 104th Annual General Meeting of Shareholders dated June 19, 2003.

The outlines of Shin-Kabu-Yoyaku-Ken are as follows:

<The Outlines of Shin-Kabu-Yoyaku-Ken>

- 1) Name of Shin-Kabu-Yoyaku-Ken:
Nissan Motor Co., Ltd. 2nd Shin-Kabu-Yoyaku-Ken
- 2) Kind and number of shares to be issued upon exercise of Shin-Kabu-Yoyaku-Ken:
12,850,000 common shares of the Company
- 3) Aggregate number of units of Shin-Kabu-Yoyaku-Ken to be issued:
128,500 units
- 4) Issue price of each Shin-Kabu-Yoyaku-Ken and Issue Date:
Each Shin-Kabu-Yoyaku-Ken is to be issued for no value. The date of issuance of Shin-Kabu-Yoyaku-Ken shall be April 16, 2004.
- 5) Amount to be paid upon exercise of each Shin-Kabu-Yoyaku-Ken:
120,200 Yen per Shin-Kabu-Yoyaku-Ken
1,202 Yen per share
- 6) The number of persons and allotted number of Shin-Kabu-Yoyaku-Ken subject to this placement shall be as follows:

Targeted person classification	Number of persons	Number of allotted Shin-Kabu-Yoyaku-Ken
Employees of the Company	597	109,600
Directors of subsidiaries of the Company	94	18,300
Employees of subsidiaries of the Company	4	600
Total	695	128,500

2. Non-consolidated Balance Sheets

(As of March 31, 2004)

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

	Amount
ASSETS	
Current assets	1,804,151
Cash on hand and in banks	60,594
Trade accounts receivable	363,437
Finished products	45,892
Work in process	20,634
Raw materials & supplies	27,360
Deferred tax asset	34,264
Short-term loans receivable	1,145,210
Other accounts receivable	65,033
Other current assets	73,663
Allowance for doubtful accounts	(31,940)
Fixed assets	2,247,835
Property, plant & equipment	676,663
Buildings	151,541
Structures	31,778
Machinery & equipment	184,036
Vehicles	15,203
Tools, furniture and fixtures	109,157
Land	145,836
Construction in progress	39,109
Intangible assets	43,796
Utility rights	133
Software	42,857
Other intangible assets	805
Investments & other assets	1,527,376
Investments in securities	158,914
Investments in subsidiaries	1,229,759
Long-term loans receivable	2,761
Long-term prepaid expenses	26,805
Deferred tax asset	108,765
Other investments	10,102
Allowance for doubtful accounts	(9,733)
Deferred assets	3,592
Discount on bonds	3,592
Total assets	4,055,579

	Amount
LIABILITIES	
Current liabilities	1,407,838
Trade notes payable	270
Trade accounts payable	434,599
Short-term borrowings	93,845
Current maturities of long-term borrowings	31,576
Commercial paper	38,000
Current maturities of bonds	363,800
Other accounts payable	47,114
Accrued expenses	191,830
Income taxes payable	73,117
Deposits received	4,432
Employees' savings deposits	60,047
Accrued warranty costs	23,699
Lease obligation	30,134
Other current liabilities	15,371
Long-term liabilities	938,035
Bonds	568,600
Long-term borrowings	58,142
Long-term deposits received	1,849
Accrued warranty costs	37,472
Accrued retirement benefit	245,320
Lease obligation	26,650
Total liabilities	2,345,874
Common stock	605,813
Capital surplus	804,470
Additional paid-in capital	804,470
Retained earnings	429,001
Legal reserve	53,838
Voluntary reserve	89,192
Reserve for reduction of replacement cost of specified properties	84,027
Reserve for losses on overseas investments	4,609
Reserve for special depreciation	556
Unappropriated retained earnings	285,969
Unrealized holding gains on securities	3,707
Treasury stock	(133,287)
Total shareholders' equity	1,709,705
Total liabilities & shareholders' equity	4,055,579

3. Non-consolidated Statements of Income

(FY2003)

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

	Amount
ORDINARY INCOME/LOSS	
Operating revenue/expenses	
Operating revenue	3,480,290
Net sales	3,480,290
Operating expenses	3,234,453
Cost of sales	2,749,983
Selling, general and administrative expenses	484,470
Operating income	245,836
Non-operating income/expenses	
Non-operating income	19,937
Interest and dividend income	7,144
Other non-operating income	12,792
Non-operating expenses	37,675
Interest expense	14,495
Amortization of retirement benefit obligations at transition	8,871
Other non-operating expenses	14,309
Ordinary income	228,098
EXTRAORDINARY GAINS/LOSSES	
Extraordinary gains	22,186
Gains on sales of fixed assets	3,957
Gains on sales of investment securities	14,984
Other extraordinary gains	3,244
Extraordinary losses	57,403
Loss on devaluation of investments and receivables	11,845
Loss on disposal of fixed assets	9,907
Prior period adjustment	30,319
Other extraordinary losses	5,330
Income before income taxes	192,881
Income taxes-current	85,078
Income taxes-deferred	27,090
Net income	80,713
Retained earnings brought forward from previous year	248,770
Losses on disposal of treasury stock	8,170
Interim cash dividend	35,343
Unappropriated retained earnings	285,969

Notes to non-consolidated financial statements

- As for the amount, less than 1,000,000Yen is rounded down.
- Monetary receivables from and payables to subsidiaries:

Short-term monetary receivables:	Yen 1,386,266 million
Long-term monetary receivables:	Yen 148 million
Short-term monetary payables:	Yen 173,695 million
Long-term monetary payables:	Yen 9,105 million
- Accumulated depreciation of property, plant and equipment amounted to Yen 1,304,705 million.
- Assets pledged as collateral:

Investments in securities:	Yen 10,968 million
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- As endorser of documentary export bills discounted with banks:

Yen 2,782 million

- Guarantees and other items: () refers to those relating to subsidiaries
 - Guarantees total yen 385,309 million (yen 172,431 million), including yen 187,286 million in employee's residence mortgages which are insured in full and yen 25,500 million mortgages with pledge. And a total of yen 86,098 million in construction of Canton Plant is included.
 - Commitment to provide guarantees total yen 1,561 million
 - Letter of awareness and others total yen 16,128 million (yen 16,128 million)
 - Letter of awareness concerning ABS total yen 50,000 million (yen 6,554 million)

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

Liabilities of such subsidiaries totaled yen 1,792,563 million
- Balance and exercise price of warrant in accordance with bond with warrant attached (as of balance sheet date)

	Balance of warrant	Exercise price
Unsecured First bond with warrant attached		
	Yen 38 million	554 yen
Euro Yen due 2006 bond with warrant attached		
	Yen 9,742 million	429 yen
Euro Yen due 2007 bond with warrant attached		
	Yen 20,606 million	764 yen
Euro Yen due 2008 bond with warrant attached		
	Yen 52,800 million	880 yen
- Certain investments in securities and derivative financial instruments are revalued and carried at fair value in the accompanying balance sheet. The increase in net assets resulting from such revaluation to be disclosed in accordance with Article 124-3 of the Enforcement Regulations of the Commercial Code amounted to Yen 6,026 million as of March 31, 2004.
- Net income per share: Yen 18.15
(Net income per share has been calculated based on the net income shown in the statement of income reduced by bonuses to directors and corporate auditors to be paid as appropriations of retained earnings.)
- Sales to subsidiaries: Yen 2,604,760 million

Purchases from subsidiaries:	Yen 575,822 million
Transactions with subsidiaries other than operating transactions:	Yen 6,636 million

Significant Accounting Policies

1. Valuation of marketable securities
Marketable securities are valued by fair value method based on the market price at the balance sheet date.
Valuation differences are directly charged in shareholders' equity and cost of sold securities is determined by the moving average method.
2. Valuation of inventories
Inventories are carried at the lower of cost or market, cost being determined by the first-in, first-out method.
3. Depreciation of property, plant and equipment
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.
4. Accounting 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 is provided to cover all service costs expected to be incurred during the entire warranty period under provisions of warranty contracts at the amount calculated with reference to past experience.
 - (3) Accrued retirement benefits
Accrued retirement benefits are provided for payment of employees' post retirement benefits at the amount to be accrued at the end of this fiscal year which are calculated based on projected retirement benefit obligation and fair value of pension plan assets at the end of this fiscal year.
Net post retirement benefit obligation at transition is amortized over a period of 15 years on a 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.
5. Lease transactions
Noncancelable lease transactions are classified as operating or finance leases and accounted for accordingly.
6. Consumption Tax
Transactions subject to consumption tax are recorded at amounts exclusive of consumption tax.
7. Change of accounting method
 - (1) Valuation of inventories
Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method.
Effective April 1, 2003, the Company changed its method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories considering the fact that the reduction of purchasing costs has made progress and that such trend is anticipated to continue as well as to achieve a better matching of revenue and expenses and an appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements.
The effect of this change was immaterial.

(2) Lease transaction

- Until the year ended March 31, 2003, noncancelable lease transactions were 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. Effective April 1, 2003, the Company changed its method of accounting for finance leases accounted for as operating leases to accounting for them as finance leases instead of operating leases.
- This change was made in order to achieve a better matching of revenue and expenses through calculating manufacturing costs more accurately and to establish a better presentation of its financial position by reflecting lease transactions more appropriately on its non-consolidated financial statements, considering the increasing materiality of lease transactions as well as from an international point of view.
- The effect of this change in method of accounting was to decrease cost of sales and selling, general and administrative expenses by 15,531 million yen and 403 million yen, respectively, to increase operating income by 15,934 million yen, to increase ordinary income and income before income taxes by 14,099 million yen for the FY2003 (April 1, 2003 through March 31, 2004) as compared with the corresponding amounts under the previous method. In addition, tangible fixed assets and lease obligation increased by 71,300 million yen and 56,785 million yen, respectively, as of March 31, 2004 as compared with the corresponding amounts under the previous method.
8. Changes in presentations
(Accrued warranty costs)
"Accrued warranty costs" had previously been included in non-current liabilities, since it is enabled to estimate the expenditure within a year, it is separately presented in the section of current liabilities and non-current liabilities.
 9. Preparation of the financial statements in accordance with the provisions
Effective April 1, 2003, the Company prepared the financial statements and the supporting schedules in accordance with the provisions of the Enforcement Regulations of the Commercial Code amended by the Ministry of Justice Ordinance No.68 of September 22, 2003.

4. Proposal for Appropriation statement of Retained earnings

	Yen
Unappropriated retained earnings	285,969,806,175
Reversal of reserve for reduction of replacement cost of specified properties	13,939,156,171
Reversal of reserve for losses on overseas investments	1,577,690,162
Reversal of reserve for special depreciation	249,834,463
Total	301,736,486,971
The proposed appropriations are as follows:	
Cash dividend < 11 yen per share >	48,384,585,546
Director's Bonus	390,000,000
Provision for reserve for reduction of replacement cost of specified properties	1,849,512,788
Provision for reserve for special depreciation	266,630,213
Retained earnings carried forward to next year	250,845,758,424

Notes: 1. We paid 35,343,326,344 yen (8 yen per share) for Interim dividends on Dec. 9, 2003.

2. 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.

5. Copy of Independent Auditors' Report

May 14, 2004

Nissan Motor Co., Ltd.
The Board of Directors

Shin Nihon & Co.
Representative and Engagement Partner Kazuo Suzuki
Representative and Engagement Partner Kenji Ota
Engagement Partner Yoji Murohashi

Pursuant to Article 2 (1) of "The Law for Special Exceptions to the Commercial Code Concerning Audits, etc. of Joint Stock Corporations," we have examined the balance sheet, the income statement, the accounting matters to be stated in the business report, the proposal for appropriation of retained earnings and the accounting matters to be stated in the supporting schedules of Nissan Motor Co., Ltd. (the "Company") for the 105th fiscal term from April 1, 2003 to March 31, 2004. The accounting matters which we have examined in the business report and the supporting schedules are those derived from the accounting books and records of the Company. These financial statements and the supporting schedules are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these financial statements and the supporting schedules based on our audits. We conducted our audit in accordance with generally accepted auditing standards in Japan. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements and the supporting schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the supporting schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and supporting schedule presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit included procedures applied to the accounts of the Company's subsidiaries as considered necessary. As a result of our examination, it is our opinion that:

- a) the balance sheet and the income statement present properly the Company's financial position and the results of its operations in accordance with the related regulations and the Articles of Incorporation. As stated in "Significant Accounting Policies 7. Change of accounting method", until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company changed its method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change, with which we concur, was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories considering the fact that the reduction of purchasing costs has made progress and that such trend is anticipated to continue as well as to achieve a better matching of revenue and expenses and an appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements. As also stated in "Significant Accounting Policies 7. Change of accounting method", until the year ended March 31, 2003, noncancelable lease transactions were 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. Effective April 1, 2003, the Company changed its method of accounting for finance leases accounted for as operating leases to accounting for them as finance leases instead of operating leases. This change, with which we concur, was made in order to achieve a better matching of revenue and expenses through calculating manufacturing costs more accurately and to establish a better presentation of its financial position by reflecting lease transactions more appropriately on its financial statements, considering the increasing materiality of lease transactions as well as from an international point of view.
- b) the accounting matters stated in the business report present properly the Company's affairs in accordance with the related regulations and the Articles of Incorporation.
- c) the proposal for appropriation of retained earnings is presented in accordance with the related regulations and the Articles of Incorporation.
- d) there is nothing to point out as to the accounting matters stated in the supporting schedules in accordance with the provisions of the Commercial Code.

The subsequent event described in the business report is of nature to have a significant impact on the Company's financial position and operating results of the coming years. We have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Law.

—That's all.—

6. Statutory Auditors' Report

The Statutory Audit Committee, having received from each Statutory Auditor his report on the results of, and methods used in, the audit of the duties executed by the directors of the company in the course of the 105th fiscal year from April 1, 2003 through to March 31, 2004, after due consideration and deliberation, hereby submits its report as follows.

1. Outline of the auditing procedures

Members of the committee attended every meeting of the Board of Directors, as well as other important meetings, from time to time received reports from the directors and others concerning the business operations of the company, and reviewed important business documents. Furthermore, independent investigations of the Head Office and main business and branch office activities were conducted and subsidiaries of the company were required to submit reports on their business operations whenever necessary. Finally, the committee received from certified public accountants reports on their examinations, audits and inspections and scrutinized the relevant accounting documents.

In addition to the regular internal auditing procedures, the committee received reports from the directors and others as it deemed necessary relating to dealings and transactions effected between the company and its directors and subsidiaries that could have involved conflicts of interest, directors trading in competition with the Company, undue remuneration from the Company, trading in treasury stock or any other trading between the Company and its subsidiaries and directors outside the normal course of business. These reports too were scrutinized in great detail.

2. Results of the audit

- (1) The committee finds the auditing methods used in the examination of the financial statements of the company and the results arrived at by Shin Nihon & Co. to be fair and reasonable.
- (2) The committee acknowledges that the contents of the business report comply with the applicable laws and regulations and the provisions of the Articles of Incorporation of the company, and do fairly represent the company's position.
- (3) The committee finds nothing in the proposal for appropriation statement of retained earnings that does not fairly represent the status of the company's financial position.
- (4) The supporting schedules constitute a full and fair account of the financial position of the company.
- (5) As to the execution of duties by the directors, including their duties concerning the subsidiaries of the Company the committee has discovered no illegal acts, irregular dealings or transactions or suchlike, nor has it found any material facts to be in violation of the applicable laws and regulations or the Articles of Incorporation of the company. Moreover the committee has no found no breach of duties by directors with regard to any activities involving conflicts of interest, directors trading in competition with the Company, undue remuneration from the Company, trading in treasury stock or any other trading between the Company and its subsidiaries and directors outside the normal course of business.

May 20, 2004

Nissan Motor Co., Ltd.	Statutory Audit Committee
Statutory Auditor (full time)	Hiroshi Moriyama
Statutory Auditor (full time)	Haruhiko Takenaka
Statutory Auditor (full time)	Keishi Imamura
Statutory Auditor	Hideo Nakamura

Note: Haruhiko Takenaka, Keishi Imamura and Hideo Nakamura are special external company auditors, as laid down by the Commercial Code of Japan, Section 18, Article 1.

—That's all.—

Shareholder Memo

Fiscal Year-End	March 31
Record Date	March 31 (for interim dividends: September 30)
General Shareholders' Meeting	June
Proxy Record Date	March 31
Transfer Agent and Register	The Chuo Mitsui Trust & Banking Co., Ltd. 33-1, Shiba 3-chome, Minato-ku Tokyo 105-8574 Japan
Business Office of Transfer Agent	The Chuo Mitsui Trust & Banking Co., Ltd. Stock Transfer Agency Department 8-4, Izumi 2-chome, Suginami-ku Tokyo 168-0063 Japan Tel: (03)3323-7111
Other Offices of Transfer Agent	<ul style="list-style-type: none">▪ Any domestic branch of The Chuo Mitsui Trust & Banking Co., Ltd.▪ The head office and branches of Japan Securities Agent Co., Ltd.
Stock Transaction Commissions	There is no charge for the transfer of shares. There is a ¥210 per-certificate charge (include consumption tax) for the issue of new shares.
Public Notices	The <i>Nihon Keizai Shimbun</i> , published in Tokyo

Company Name:	NISSAN MOTOR CO., LTD.
Registered Head Office:	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa 220-8623 Japan
Corporate Headquarters:	17-1, Ginza 6-chome, Chuo-ku, Tokyo 104-8023 Japan Tel: (03)3543-5523

Corporate Information Website

<http://www.nissan-global.com/EN/HOME/>

Investor Relations
<http://www.nissan-global.com/EN/IR/>