

FINANCIAL RESULTS OF NISSAN MOTOR CO., LTD

<FOR THE 1ST HALF FY2006>

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2. NISSAN Value-Up Update

In the Nissan Value-Up business plan, the company made three key commitments:

1. Top level operating profit margin among global automakers in FY05 to FY07.
2. 4.2 million sales in FY08.
3. 20% average return on invested capital over the plan.

Under Nissan Value-Up, the company is pursuing four major breakthroughs:

1. Build Infiniti into a globally recognized luxury brand.
2. Build a new and significant global presence in Light Commercial Vehicles.
3. Develop new supply sources in Leading Competitive Countries (“LCC”) for parts, machinery & equipment, vendor tooling and services.
4. Expand geographic presence in markets such as China, India, Thailand, Russia, Eastern Europe, the Gulf Countries and Egypt.

3. FISCAL YEAR 2006 FIRST-HALF BUSINESS PERFORMANCE

For the first six months of fiscal year 2006, Nissan’s sales in all regions totaled 1,709,000 units, down 6.9% from 2005.

Reviewing volumes by region, in Japan, Nissan sold 350,000 units in the first half, down 16.9% from the same period last year, with minicars up 1.9% and registered vehicles down 19.9%. Total industry volume decreased by 3.4%, with minicars up 4.9% and registered vehicles down by 7.5%. Nissan’s market share stands at 12.9%, which is 2.1% lower than last year.

As there is no elasticity in the minicar segment, this industry evolution did not favor Nissan, particularly in a market where the main actors remained focused on higher incentives and volume rather than profitability. In this half-year, results were also compared at a low point in the product cycle to the period of the final sprint of Nissan 180.

Nissan is implementing specific actions to improve the effectiveness, particularly in sales, marketing and distribution. For example, the company has taken measures to enhance the network of dealer subsidiaries by consolidating unprofitable outlets, streamlining back-office operations and integrating subsidiary dealers. The company is also revising the way dealer management is compensated. Although the external environment is challenging, there are solutions and it is the company’s responsibility to implement them and deliver better results.

In the United States, prior to the launch of the Versa Hatchback in July, Nissan had not launched an all-new model in 16 months. As a result, a decline in sales was anticipated. In the first half, sales decreased 10.2% to 513,000 units. In comparison, total industry volume that declined by 5.6%. Nissan’s U.S. market share decreased to 5.8% from 6.1% in the previous year.

In the Nissan Division, U.S. sales were down 9.8% in the first half. Unsupported by new products for 19 months, Infiniti Division sales declined 17.5% from 2005.

In Europe, Nissan sold 275,000 units from January to June, which represented a 4.4% decrease from the same period in 2005. During this period, Nissan was running out Primera, Almera and Tino in most markets, with only one new model launch, the Note, in March.

On the other hand, Nissan's performance in General Overseas Markets, including Mexico and Canada, have been encouraging. In the first half, sales were up 2.9% to 571,000 units. In China, Nissan unit sales increased from 2005 by 28% to 180,000 units. This was primarily due to strong sales of the Tiida. The company does not expect to sustain this rapid growth over the entire year. Growth for the full year is anticipated to be 15%. In the Middle East, sales increased 18% to 73,000 units. This momentum is expected to continue throughout the year. In Taiwan, the company sold 23,000 units, down 39% in an overall market that declined by 26%. In Thailand, sales fell 24% to 17,000 units in a market that fell 3%. The product range, particularly in the key pickup-truck segment, is near the end of its lifecycle. Nissan also faces operational issues in Thailand that are being addressed through a change in management

In the first half of fiscal year 2006, consolidated revenues reached 4.534 trillion yen, up 1.0% from the same period in fiscal year 2005. This was primarily due to favorable exchange rates, which had a positive impact of 201.2 billion yen.

Nissan's consolidated operating profits decreased by 15.3% to 348.6 billion yen from last year. The operating margin was 7.7%.

In comparison to last year's consolidated operating profit, the variance was due to several factors:

- Foreign exchange rate movements resulted in a positive contribution of 54.8 billion yen. This was mainly due to favorable movements in the U.S. dollar and Euro. The U.S. dollar rate averaged 115.4 yen compared to 109.5 yen the previous year. The euro moved to 142.3 yen from 136.3 yen.
- Change in scope of consolidation contributed an additional 4.6 billion yen.
- Raw material costs increased to 65.8 billion yen. In an industry with no pricing power, additional costs cannot be passed to the consumer. As such, Nissan had to absorb most of these costs.
- Price, volumes and mix had a negative impact of 104.3 billion yen. This was due to lower volumes at the end of product cycles and a shift in mix to smaller cars in the U.S. and to minicars in Japan.
- Selling expenses had a positive impact of 3.8 billion yen. This is not particularly good news given that sales volume decreased. Expenses should have been lower but per car sold, incentives and costs of marketing costs were higher.
- Purchasing continued its good performance as lower net purchasing costs generated a positive contribution of 75.5 billion yen to operating profits. However, this was offset by having to absorb additional costs related to increased prices for raw materials and energy.
- Product enrichment and the cost of regulations produced a negative impact of 19.1 billion yen.
- Higher R&D expenses generated a negative impact of 7 billion yen, as Nissan continued to boost investments in technology and product development.
- Manufacturing and logistics expenses decreased by 4.3 billion yen.
- Warranty expenses increased by 3.9 billion yen. This relates to charges taken in the first quarter on the QR engine. This amount was little changed from the one-time warranty charge taken in the second quarter of 2005.
- General, administrative and other expenses produced a negative impact of 5.8 billion yen.

By region, operating profits in Japan amounted to 133.7 billion yen, compared to last year's 199.4 billion yen. Operating profit in the U.S. and Canada was 121.1 billion yen, versus 152.1 billion yen in 2005. Europe's operating profit was 26.8 billion yen compared to 18.2 billion yen in the prior year. General Overseas Markets, including Mexico, contributed to 58.8 billion yen to operating profit, which increased from 46.2 billion yen in 2005.

Inter-regional eliminations resulted in a positive 8.2 billion yen, versus a negative 4.4 billion yen reduction in the first half of last year.

Net non-operating items totaled a positive 12.3 billion yen, mainly due to foreign exchange gains in Mexico this fiscal year. This yields an ordinary profit of 360.9 billion yen, compared to last year's 395.6 billion yen.

Net extraordinary items totaled a negative 5.2 billion yen, which improved from last year's negative 28.2 billion yen.

Income before taxes totaled 355.7 billion yen. Taxes amounted to 68.4 billion yen, down from 117.2 billion yen in 2005. The consolidated effective tax rate for the period was 19.2%, which was lower than the 31.9% rate in 2005. This was mainly due to the favorable impact of realizing tax-deductible losses on investments in domestic dealers prior to their merger into Nissan Network Holdings. The result was an 8.3% reduction in the effective tax rate.

Minority interests, which are profits in fully consolidated companies that Nissan does not own 100%, such as Calsonic Kansei, Aichi Kikai and Nissan Shatai, totaled 13.1 billion yen.

Net income after tax increased by 18.8% to 274.2 billion yen. The main drivers of this improvement were the sale of Nissan Diesel shares in September, favorable changes in the pension scheme of the company's Chinese operations, and tax benefits resulting from losses incurred through the company's domestic dealer restructuring. Exceptional charges were taken in the same period in 2005, which were related to impairment losses on fixed assets and the introduction of Nissan's defined-contribution pension plan.

At the end of September 2006, Nissan's net cash position stood at 94.9 billion yen. The company's position improved significantly from September 2005 when net automotive debt stood at 126.3 billion yen. However, this is down from the net cash position of 372.9 billion yen in March 2006, as a result of normal seasonality.

4. FISCAL YEAR 2006 FINANCIAL FORECAST

Considering the risks and opportunities for fiscal year 2006, the most significant risks continue to be continued high incentive levels worldwide, mix and grade deterioration, high commodity prices, high energy prices and higher interest rates. Major opportunities come from the flawless implementation of the Nissan Value-Up plan and favorable foreign exchange rates, particularly the yen-dollar relationship.

Given these risks and opportunities, Nissan continues to believe the favorable foreign exchange rates will offset the identified risks. As such, the company does not see any compelling reason to change its initial forecasts for the full fiscal year.

5. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

1) Consolidated Statements of Income

(1st half FY2006, 1st half FY2005 and FY2005)

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

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

	1st half FY2006	1st half FY2005	Change		FY2005
			Amount	%	
NET SALES	100% 4,534,400	100% 4,490,975	43,425	1.0 %	100% 9,428,292
COST OF SALES	3,456,032	3,355,763	100,269		7,040,987
Gross profit	23.8% 1,078,368	25.3% 1,135,212	(1.5)% (56,844)	(5.0)%	25.3% 2,387,305
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	729,723	723,674	6,049		1,515,464
Operating income	7.7% 348,645	9.2% 411,538	(1.5)% (62,893)	(15.3)%	9.2% 871,841
NON-OPERATING INCOME	42,504	36,903	5,601		74,799
Interest and dividend income	10,342	12,070	(1,728)		21,080
Equity in earnings of unconsolidated subsidiaries & affiliates	14,732	16,667	(1,935)		37,049
Foreign exchange gain	9,890	-	9,890		-
Other non-operating income	7,540	8,166	(626)		16,670
NON-OPERATING EXPENSES	30,286	52,802	(22,516)		100,768
Interest expense	13,948	12,752	1,196		25,646
Amortization of net retirement benefit obligation at transition	5,456	5,669	(213)		11,145
Foreign exchange loss	-	23,209	(23,209)		34,836
Other non-operating expenses	10,882	11,172	(290)		29,141
Ordinary income	8.0% 360,863	8.8% 395,639	(0.8)% (34,776)	(8.8)%	9.0% 845,872
SPECIAL GAINS	34,551	25,962	8,589		82,455
SPECIAL LOSSES	39,715	54,160	(14,445)		119,286
Income before income taxes and minority interests	7.8% 355,699	8.2% 367,441	(0.4)% (11,742)	(3.2)%	8.6% 809,041
INCOME TAXES—CURRENT	102,095	145,762	(43,667)		274,463
INCOME TAXES—DEFERRED	(33,693)	(28,596)	(5,097)		(20,055)
MINORITY INTERESTS	13,120	19,573	(6,453)		36,583
NET INCOME	6.0% 274,177	5.1% 230,702	0.9% 43,475	18.8 %	5.5% 518,050

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

The three-month period ended September 30

(in millions of Yen)

	FY2006 2nd quarter (The three-month)	FY2005 2nd quarter (The three-month)	Change	
			Amount	%
	100%	100%		
NET SALES	2,324,013	2,346,115	(22,102)	(0.9) %
COST OF SALES	1,769,957	1,766,079	3,878	
	23.8%	24.7%	(0.9) %	
Gross profit	554,056	580,036	(25,980)	(4.5) %
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	358,756	374,755	(15,999)	
	8.4%	8.7%	(0.3) %	
Operating income	195,300	205,281	(9,981)	(4.9) %
NON-OPERATING INCOME	22,405	16,458	5,947	
Interest and dividend income	5,190	6,072	(882)	
Equity in earnings of unconsolidated subsidiaries & affiliates	8,998	8,393	605	
Foreign exchange gain	5,385	-	5,385	
Other non-operating income	2,832	1,993	839	
NON-OPERATING EXPENSES	13,589	36,884	(23,295)	
Interest expense	7,297	6,718	579	
Amortization of net retirement benefit obligation at transition	2,739	2,741	(2)	
Foreign exchange loss	-	22,473	(22,473)	
Other non-operating expenses	3,553	4,952	(1,399)	
	8.8%	7.9%	0.9 %	
Ordinary income	204,116	184,855	19,261	10.4 %
SPECIAL GAINS	31,607	21,028	10,579	
SPECIAL LOSSES	31,854	13,200	18,654	
	8.8%	8.2%	0.6 %	
Income before income taxes and minority interests	203,869	192,683	11,186	5.8 %
INCOME TAXES	34,302	54,579	(20,277)	
MINORITY INTERESTS	5,541	13,105	(7,564)	
	7.1%	5.3%	1.8 %	
NET INCOME	164,026	124,999	39,027	31.2 %

2) Consolidated Balance Sheets

as of Sep 30, 2006, Mar 31, 2006 and Sep 30, 2005

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

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

	as of Sep 30, 2006	as of Mar 31, 2006	Change	as of Sep 30, 2005
[ASSETS]				
CURRENT ASSETS	6,099,540	6,022,254	77,286	5,572,678
Cash on hand and in banks	432,147	414,772	17,375	265,452
Notes & accounts receivable	565,493	488,600	76,893	575,562
Finance receivables	3,417,347	3,589,127	(171,780)	3,211,048
Marketable securities	31,276	11,589	19,687	22,081
Inventories	951,542	856,499	95,043	853,567
Deferred tax assets	357,345	314,859	42,486	302,667
Other current assets	344,390	346,808	(2,418)	342,301
FIXED ASSETS	5,630,395	5,458,664	171,731	5,026,618
Property, plant and equipment	4,676,982	4,438,808	238,174	4,091,253
Intangible assets	187,731	186,949	782	174,016
Investment securities	353,530	403,386	(49,856)	358,229
Long-term loans receivable	20,163	18,520	1,643	19,658
Deferred tax assets	161,456	163,550	(2,094)	153,547
Other non current assets	230,533	247,451	(16,918)	229,915
DEFERRED ASSET	-	508	(508)	779
TOTAL ASSETS	11,729,935	11,481,426	248,509	10,600,075
[LIABILITIES]				
CURRENT LIABILITIES	5,092,764	4,851,709	241,055	4,403,894
Notes & accounts payable	977,409	983,594	(6,185)	963,671
Short-term borrowings	2,933,559	2,533,766	399,793	2,273,861
Deferred tax liabilities	2,716	8,063	(5,347)	3,131
Accrued warranty costs	94,784	81,112	13,672	71,329
Lease obligation	48,843	58,523	(9,680)	61,160
Other current liabilities	1,035,453	1,186,651	(151,198)	1,030,742
LONG-TERM LIABILITIES	3,015,202	3,255,841	(240,639)	3,209,026
Bonds and debentures	723,757	708,207	15,550	612,434
Long-term borrowings	1,232,301	1,445,688	(213,387)	1,524,522
Deferred tax liabilities	508,475	502,091	6,384	462,563
Accrued warranty costs	126,413	132,107	(5,694)	123,582
Accrued retirement benefits	220,892	267,695	(46,803)	282,249
Lease obligation	64,722	71,708	(6,986)	78,134
Other long-term liabilities	138,642	128,345	10,297	125,542
TOTAL LIABILITIES	8,107,966	8,107,550	416	7,612,920
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	-	285,893	(285,893)	274,268
[SHAREHOLDERS' EQUITY]				
COMMON STOCK	-	605,814	(605,814)	605,814
CAPITAL SURPLUS	-	804,470	(804,470)	804,470
RETAINED EARNINGS	-	2,116,825	(2,116,825)	1,884,661
UNREALIZED HOLDING GAIN ON SECURITIES	-	14,340	(14,340)	9,255
TRANSLATION ADJUSTMENTS	-	(204,313)	204,313	(315,843)
TREASURY STOCK	-	(249,153)	249,153	(275,470)
TOTAL SHAREHOLDERS' EQUITY	-	3,087,983	(3,087,983)	2,712,887
TOTAL LIABILITIES, MINORITY INTERESTS & SHAREHOLDERS' EQUITY	-	11,481,426	(11,481,426)	10,600,075
[NET ASSETS]				
SHAREHOLDERS' EQUITY	3,464,578	-	3,464,578	-
Common stock	605,814	-	605,814	-
Capital surplus	804,470	-	804,470	-
Retained earnings	2,287,665	-	2,287,665	-
Treasury stock	(233,371)	-	(233,371)	-
VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS	(146,177)	-	(146,177)	-
Unrealized holding gain on securities	7,264	-	7,264	-
Unrealized gain and loss from hedging instruments	2,773	-	2,773	-
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	53,205	-	53,205	-
Land revaluation of subsidiaries	5,097	-	5,097	-
Unfunded retirement benefit obligation of foreign subsidiaries	(12,687)	-	(12,687)	-
Translation adjustments	(201,829)	-	(201,829)	-
SHARE SUBSCRIPTION RIGHTS	2,887	-	2,887	-
MINORITY INTERESTS	300,681	-	300,681	-
TOTAL NET ASSETS	3,621,969	-	3,621,969	-
TOTAL LIABILITIES & NET ASSETS	11,729,935	-	11,729,935	-

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

3) Consolidated Statement of Changes in Net Assets

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

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Balances as of Mar. 31, 2006	605,814	804,470	2,116,825	(249,153)	3,277,956
Changes in 1st half of FY2006					
Cash dividends paid	-	-	(61,329)	-	(61,329)
Bonuses to directors and statutory auditors	-	-	(560)	-	(560)
Net income	-	-	274,177	-	274,177
Disposal of treasury stock	-	-	(1,293)	15,807	14,514
Purchases of treasury stock	-	-	-	(25)	(25)
Changes in the scope of consolidation	-	-	(3,728)	-	(3,728)
Changes in the scope of equity method	-	-	(763)	-	(763)
Net changes in items other than those in shareholders' equity (note)	-	-	(35,664)	-	(35,664)
Total of changes in 1st half of FY2006	-	-	170,840	15,782	186,622
Balances as of Sep. 30, 2006	605,814	804,470	2,287,665	(233,371)	3,464,578

	VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS							SHARE SUBSCRIPTION RIGHTS	MINORITY INTERESTS	TOTAL NET ASSETS
	Unrealized holding gain on securities	Unrealized gain and loss from hedging instruments	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Land revaluation of subsidiaries	Unfunded retirement benefit obligation of foreign subsidiaries	Translation adjustments	Total Valuation, Translation Adjustments and Others			
Balances as of Mar. 31, 2006	14,340	-	-	-	-	(204,313)	(189,973)	3,144	285,893	3,377,020
Changes in 1st half of FY2006										
Cash dividends paid	-	-	-	-	-	-	-	-	-	(61,329)
Bonuses to directors and statutory auditors	-	-	-	-	-	-	-	-	-	(560)
Net income	-	-	-	-	-	-	-	-	-	274,177
Disposal of treasury stock	-	-	-	-	-	-	-	-	-	14,514
Purchases of treasury stock	-	-	-	-	-	-	-	-	-	(25)
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-	(3,728)
Changes in the scope of equity method	-	-	-	-	-	-	-	-	-	(763)
Net changes in items other than those in shareholders' equity (note)	(7,076)	2,773	53,205	5,097	(12,687)	2,484	43,796	(257)	14,788	22,663
Total of changes in 1st half of FY2006	(7,076)	2,773	53,205	5,097	(12,687)	2,484	43,796	(257)	14,788	244,949
Balances as of Sep. 30, 2006	7,264	2,773	53,205	5,097	(12,687)	(201,829)	(146,177)	2,887	300,681	3,621,969

(note) As a result of the adoption of a new accounting standard for consolidated statement of changes in net assets, 35,664 million Yen which had been included in retained earnings until FY2005 has been reclassified to valuation, translation adjustments and others.

	Millions of yen
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	49,915
Land revaluation of subsidiaries	5,134
Unfunded retirement benefit obligation of foreign subsidiaries	(19,385)
Total amount reclassified from retained earnings to valuation, translation adjustments and others	35,664

4) Consolidated Statements of Capital Surplus and Retained Earnings

(1st half FY2005 and FY2005)

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

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

	FY2005 1st half	FY2005
(Capital surplus)		
Capital surplus at beginning of period	804,470	804,470
Capital surplus at end of period	804,470	804,470
(Retained earnings)		
Retained earnings at beginning of period	1,715,099	1,715,099
Increase	233,322	529,880
Net income	230,702	518,050
Increase due to inclusion in consolidation	-	202
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	2,620	9,331
Increase due to land revaluation of subsidiaries	-	2,297
Decrease	63,760	128,154
Cash dividends paid	48,947	105,661
Bonuses to directors and statutory auditors	441	573
Loss on disposal of treasury stock	4,985	11,507
Decrease due to exclusion in consolidation	32	-
Decrease due to exclusion from the equity method	1,633	2,874
Decrease due to increase in unfunded retirement benefit obligation of foreign subsidiaries	863	884
Decrease due to land revaluation of subsidiaries	855	651
Decrease due to an affiliate's transition to International Financial Reporting Standards	6,004	6,004
Retained earnings at end of period	1,884,661	2,116,825

5) Consolidated Statements of Cash Flows

(1st half of FY2006, 1st half of FY2005 and FY2005)

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

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

	FY2006	FY2005	FY2005
	1st half	1st half	
Operating activities			
Income before income taxes and minority interests	355,699	367,441	809,041
Depreciation and amortization	355,321	310,464	655,402
Impairment loss	7,787	23,058	26,827
Provision for doubtful receivables	5,145	8,753	4,561
Unrealized loss on investments	374	-	212
Interest and dividend income	(10,343)	(12,070)	(21,080)
Interest expense	68,853	48,184	104,265
Gain on sales of property, plant and equipment	(630)	(2,766)	(16,742)
Loss on disposal of fixed assets	8,801	10,575	22,213
Gain on sales of investment securities	(5,545)	(9,885)	(40,223)
(Increase) Decrease in trade receivables	(70,000)	(24,381)	90,391
Decrease (Increase) in sales finance receivables	170,075	(47,333)	(311,685)
Increase in inventories	(83,139)	(137,731)	(117,120)
(Decrease) Increase in trade payables	(95,355)	(21,184)	88,129
Amortization of net retirement benefit obligation at transition	5,456	5,669	11,145
Retirement benefit expenses	29,806	30,195	63,564
Payments related to retirement benefits	(56,977)	(265,811)	(314,349)
Other	(30,713)	26,793	13,587
Sub-total	654,615	309,971	1,068,138
Interest and dividends received	10,036	11,876	21,034
Interest paid	(68,455)	(47,306)	(102,219)
Income taxes paid	(114,118)	(97,271)	(229,084)
Total	482,078	177,270	757,869
Investing activities			
Decrease (Increase) in short-term investments	2,191	(5,198)	7,078
Purchases of fixed assets	(260,098)	(223,198)	(471,029)
Proceeds from sales of property, plant and equipment	16,869	25,794	55,790
Purchases of leased vehicles	(517,096)	(501,671)	(953,285)
Proceeds from sales of leased vehicles	167,584	120,290	264,124
Long-term loans made	(3,410)	(2,405)	(3,549)
Collection of long-term loans receivable	1,680	935	3,225
Purchases of investment securities	(9,221)	(10,454)	(23,930)
Proceeds from sales of investment securities	25,056	17,992	46,060
Purchase of subsidiaries' shares resulting in changes in the scope of consolidation	(802)	-	-
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	-	3,784	4,705
Additional acquisition of shares of consolidated subsidiaries	-	-	(16,020)
Other	13,275	(17,086)	(25,924)
Total	(563,972)	(591,217)	(1,112,755)
Financing activities			
Increase in short-term borrowings	412,007	286,610	376,048
Increase in long-term borrowings	389,979	464,392	883,548
Increase in bonds and debentures	53,385	277,386	390,706
Repayment or redemption of long-term debt	(664,371)	(545,515)	(1,010,306)
Proceeds from minority shareholders	-	1,250	1,321
Purchases of treasury stock	(24)	(22,176)	(22,208)
Proceeds from sales of treasury stock	14,049	7,818	26,423
Repayment of lease obligation	(36,827)	(39,711)	(76,071)
Cash dividends paid	(61,329)	(48,947)	(105,661)
Cash dividends paid to minority shareholders	(1,685)	(1,612)	(6,487)
Other	11	282	606
Total	105,195	379,777	457,919
Effect of exchange rate changes on cash and cash equivalents	2,223	(466)	11,389
Increase in cash and cash equivalents	25,524	(34,636)	114,422
Cash and cash equivalent at beginning of the period	404,212	289,784	289,784
Increase due to inclusion in consolidation	13,384	3	6
Cash and cash equivalent at end of the period	443,120	255,151	404,212

6) Basis of Semi-Annual Consolidated Financial Statements

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

(1) Consolidated subsidiaries ; 196 companies (Domestic 97, Overseas 99)

Domestic Car Dealers, Parts Distributors

Aichi Nissan Motor Co., Ltd., Nissan Tokuhan Co., Ltd.
Nissan Prince Tokyo Sales Co., Ltd.
Nissan Chuo Parts Sales Co., Ltd.
and 74 other companies

Domestic Vehicles and Parts Manufacturers

Nissan Shatai Co.,Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., Calsonic Kansei Corp.
and 4 other companies

Domestic Logistics & Services Companies

Nissan Trading Co., Ltd., Nissan Financial Service Co., Ltd., Autech Japan, Inc.
and 8 other companies

Overseas subsidiaries

Nissan North America, Inc., Nissan Europe S.A.S.
Nissan Motor Manufacturing (UK) Ltd.
Nissan Mexicana, S.A. de C.V. and 95 other companies

Unconsolidated Subsidiaries ; 176 companies (Domestic 118, Overseas 58)

These 176 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; 32 companies (Domestic 20, Overseas 12)
Affiliates; 18 companies (Domestic 15, Overseas 3)

Domestic Kinugawa Rubber Industrial Co., Ltd., and 34 other companies
Overseas Renault S.A., Guangzhou NISSAN Trading Co., Ltd. and 13 other companies

The 144 unconsolidated subsidiaries and 42 affiliates other than the above 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, retained earnings and others

(3) Change in the Scope of Consolidation and Equity Method of Accounting

The change in the scope of consolidation compared with fiscal year 2005 was summarized as follows

Newly included in the scope of consolidation; 62 subsidiaries (Nissan Nordic Europe Oy Nissan Motor Egypt S.A.E., Calsonic Kansei (Thailand) Co., Ltd., and 59 other companies)

Excluded from the scope of consolidation ; 53 subsidiaries (Kantus Corporation and 52 other companies)

Number of companies newly accounted for by the equity method; 6 companies (Autocomm, Inc and 5 other companies)

Number of companies ceased to be accounted for by the equity method of accounting; 3 companies
(Nissan Hanshin Service Center Co.,Ltd., Nissan Forklift Kanagawa Co., Ltd. and another company)

The number of consolidated subsidiaries and companies accounted for by the equity method were increase primarily because those were newly established or became material to the consolidated financial statement and were decreased due to merger

52 companies are included in both "Newly included in the scope of consolidation" and "Excluded from the scope of consolidation" for the 1st half of FY2006 due to the re-organization of domestic dealers.

2. Fiscal Period of Consolidated Subsidiaries

1) The end of 1st half of FY2006 for the following consolidated subsidiaries is different from that of the Company (September 30

June 30 : Nissan Europe S.A.S. Nissan Mexicana,S.A.de C.V.,
Nissan Motor Company South Africa (Proprietary) Limited, and 68 other overseas subsidiarie:

2) With respect to the above 71 companies, the necessary adjustments were made in consolidation to reflect an significant transactions from July 1 to September 30

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 net assets.
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 financial instruments

Derivative financial instruments are stated at fair value.

3. Inventories

Inventories are carried mainly at the lower of cost or market, cost being determined by the first-in, first-out method

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 doubtful receivables.

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

Accrued retirement benefits

Accrued retirement benefits are provided principally at the 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 primarily 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

Non-cancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.

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.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Mainly forecasted sales denominated in foreign currencies

Hedging policy

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

Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of forecasted sales are substantially same as those of hedging instruments.

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

4. Cash and cash equivalents

Cash and cash equivalents in semiannual consolidated statements of cash flows include 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. Accounting changes

Accounting Standard for Share-based Payment

Effective April 1, 2006, the Company adopted a new accounting standard for share-based payment and related implementation guidance.

The effect of this change was to decrease operating income, ordinary income and income before income taxes by yen 460 million for the six months ended September 30, 2006 from the corresponding amounts which would have been recorded if the previous method had been followed.

Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet and related implementation guidance.

Shareholders' equity under the previous presentation method amounted to yen 3,315,628 million as of September 30, 2006.

Net assets in the balance sheet as of September 30, 2006 have been presented in accordance with the revised "Regulations for Semiannual Consolidated Financial Statements."

7) Notes to Semi-Annual Consolidated Financial Statements

1. Contingent Liabilities

At September 30, 2006, 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 (167,167 for employees, 39,446 for others)	206,613
2) Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	2,363
3) The outstanding balance of installment receivables sold with recourse	8,485

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

(Millions of yen)
212,964

3. Impairment losses

Type of assets	Asset category	Location	Millions of yen
Idle property	Land, Buildings and Structures, Machinery and equipment	Osaka-shi, Osaka, and other 37 locations	1,759
Assets to be sold	Land, Buildings and Structures	Ageo-shi, Saitama, and other 2 locations	158
Assets to be disposed of	Land, Buildings and Structures	Kyoto-shi, Kyoto, and other 28 locations	5,870

4. Notes to Consolidated Statement of Changes in Net Assets

(1st half FY2006)

1. Shares issued and outstanding

Type of shares	Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of this period
Common stock (in thousands)	4,520,715	-	-	4,520,715

2. Treasury Stock

Type of shares	Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of this period
Common stock (in thousands)	422,763	20	14,009	408,774

(Outline of changes)

Details of the increase are as follows

Increase by purchase of the stocks less than unit	19 thousand shares
Increase in stocks held by companies accounted for by the equity method	1 thousand shares

Details of the decrease are as follows.

Decrease by having exercised new share subscription rights	14,007 thousand shares
Decrease in stocks held by companies accounted for by the equity method	2 thousand shares

3. Share subscription rights

Company	Description	Type of shares	Number of shares (in thousands)				Balance at the end of this period (millions of Yen)
			Number of shares at the end of the prior fiscal year	Increase	Decrease	Number of shares at the end of this period	
Parent Company	Euro-yen bonds with warrant due 2007	Common stock	15,937	-	9,477	6,460	357
	Euro-yen bonds with warrant due 2008	Common stock	44,703	-	3,797	40,906	2,070
	Subscription rights as stock options			-			460
Total				-			2,887

4. Dividends

(1) Dividends

Resolution	Type of shares	Cash dividends paid (millions of Yen)	Dividends per share (Yen)	Cut off date	Effective date
General meeting of shareholders held on June 27, 2006	Common stock	61,329	15	March 31, 2006	June 28, 2006

(note) Cash dividends paid has been adjusted by the portion of dividends paid to Renault.

(2) Dividends, cut off date of which was in 1st half of FY2006, and effective date of which will be after Oct.1, 2006

Resolution	Type of shares	Resources of dividends	Total dividends (millions of Yen)	Dividends per share (Yen)	Cut off date	Effective date
October 26, 2006	Common stock	Retained earnings	75,014	17	September 30, 2006	November 28, 2006

5. Cash Flows

Cash and cash equivalents at the end of 1st half of fiscal year 2006 are reconciled to the accounts reported in the consolidated balance sheet as follows:

(as of September 30 2006)	(Millions of yen)
Cash on hand and in banks	432,147
Time deposits with maturities of more than three months	(18,870)
Cash equivalents included in marketable securities (*)	29,843
Cash and cash equivalents	443,120

* These represent short-term highly liquid investments readily convertible into cash held by foreign subsidiaries.

6. Securities

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

1 Marketable held-to-maturity debt securities

	as of Sept 30, 2006			as of Sept 30, 2005			as of Mar 31, 2006		
	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)	Carrying value	Estimated fair value	Unrealized gain (loss)
National & local government bonds	358	358	-	-	-	-	-	-	-
Corporate bonds	59	59	-	57	57	-	59	59	-
Total	417	417	-	57	57	-	59	59	-

2 Marketable other securities

	as of Sept 30, 2006			as of Sept 30, 2005			as of Mar 31, 2006		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
(1) Stocks	4,823	15,878	11,055	4,691	19,574	14,883	5,412	30,088	24,676
(2) Bonds									
National & local government bonds	19	20	1	19	20	1	19	20	1
(3) Others	8,091	8,097	6	-	-	-	-	-	-
Total	12,933	23,995	11,062	4,710	19,594	14,884	5,431	30,108	24,677

3 Details and carrying value of securities whose fair value is not available

	as of Sept 30, 2006	as of Sept 30, 2005	as of Mar 31, 2006
	Carrying value	Carrying value	Carrying value
Other Securities			
Unlisted domestic stocks (excluding those traded on the over-the-counter market)	8,446	9,179	20,664
Unlisted foreign stocks	807	753	820
Unlisted foreign investment trusts	21,747	16,339	9,501

7. Segment information

for the 1st half FY2006, 1st half FY2005 and FY2005

[in Millions of yen, () indicates minus]

1. Business Segment information

4/1/06 - 9/30/06	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	4,214,036	320,364	4,534,400	—	4,534,400
(2) Inter-group sales and transfer	13,001	7,455	20,456	(20,456)	—
Total	4,227,037	327,819	4,554,856	(20,456)	4,534,400
Operating expenses	3,940,859	290,396	4,231,255	(45,500)	4,185,755
Operating income	286,178	37,423	323,601	25,044	348,645

4/1/05- 9/30/05	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	4,245,853	245,122	4,490,975	—	4,490,975
(2) Inter-group sales and transfer	14,270	7,258	21,528	(21,528)	—
Total	4,260,123	252,380	4,512,503	(21,528)	4,490,975
Operating expenses	3,895,371	217,957	4,113,328	(33,891)	4,079,437
Operating income	364,752	34,423	399,175	12,363	411,538

Note: 1. Businesses are segmented based on their proximity in terms of types, nature and markets of their products.

2. Major products and services included in each segment are;

(1) Automobile : Passenger cars, trucks and buses, forklift, parts for production in overseas countries, etc.

(2) Sales Financing : Credit, lease, etc.

The three-month period ended September 30, 2006

(in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	2,158,945	165,068	2,324,013	—	2,324,013
(2) Inter-group sales and transfers	7,687	3,689	11,376	(11,376)	—
Total	2,166,632	168,757	2,335,389	(11,376)	2,324,013
Operating expenses	2,005,944	147,663	2,153,607	(24,894)	2,128,713
Operating income	160,688	21,094	181,782	13,518	195,300

The three-month period ended September 30, 2005

(in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	2,216,857	129,258	2,346,115	—	2,346,115
(2) Inter-group sales and transfers	8,616	3,742	12,358	(12,358)	—
Total	2,225,473	133,000	2,358,473	(12,358)	2,346,115
Operating expenses	2,044,305	115,491	2,159,796	(18,962)	2,140,834
Operating income	181,168	17,509	198,677	6,604	205,281

Fiscal year 2005

(in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	8,895,143	533,149	9,428,292	—	9,428,292
(2) Inter-group sales and transfers	28,563	14,794	43,357	(43,357)	—
Total	8,923,706	547,943	9,471,649	(43,357)	9,428,292
Operating expenses	8,160,292	478,218	8,638,510	(82,059)	8,556,451
Operating income	763,414	69,725	833,139	38,702	871,841

Note: 1. Businesses are segmented based on their proximity in terms of types, nature and markets of their products.

2. Major products and services included in each segment are;

(1) Automobile : Passenger cars, trucks and buses, forklift, parts for production in overseas countries, etc.

(2) Sales Financing : Credit, lease, etc.

2.Consolidated Financial Statements by Business Segment

* The sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), NR F Mexico, S.A. De C.V. (Mexico), NR Wholesale Mexico, S.A. De C.V. (Mexico), ESARA, S.A. de C.V. (Mexico), Nissan Leasing(Thailand)Co.,Ltd.(Thailand) and sales financing division of Nissan Canada Inc. (Canada).

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

1). Balance sheets by business segment

	(millions of Yen)								
	Consolidated total								
	Automobile & eliminations			Sales Financing					
	as of 9/30/06	as of 3/31/06	Change	as of 9/30/06	as of 3/31/06	Change	as of 9/30/06	as of 3/31/06	Change
Current assets	2,328,383	1,971,440	356,943	3,771,157	4,050,814	(279,657)	6,099,540	6,022,254	77,286
Cash on hand and in banks	425,746	402,968	22,778	6,401	11,804	(5,403)	432,147	414,772	17,375
Notes & accounts receivable	565,421	488,571	76,850	72	29	43	565,493	488,600	76,893
Sales finance receivables	(128,807)	(232,709)	103,902	3,546,154	3,821,836	(275,682)	3,417,347	3,589,127	(171,780)
Marketable securities	21,404	11,589	9,815	9,872	-	9,872	31,276	11,589	19,687
Inventories	938,788	847,243	91,545	12,754	9,256	3,498	951,542	856,499	95,043
Other current assets	505,831	453,778	52,053	195,904	207,889	(11,985)	701,735	661,667	40,068
Fixed assets	3,775,938	3,799,239	(23,301)	1,854,457	1,659,425	195,032	5,630,395	5,458,664	171,731
Property, plant and equipment	2,960,551	2,926,753	33,798	1,716,431	1,512,055	204,376	4,676,982	4,438,808	238,174
Investment securities	351,690	401,520	(49,830)	1,840	1,866	(26)	353,530	403,386	(49,856)
Other non current assets	463,697	470,966	(7,269)	136,186	145,504	(9,318)	599,883	616,470	(16,587)
Deferred assets	-	508	(508)	-	-	-	-	508	(508)
Total assets	6,104,321	5,771,187	333,134	5,625,614	5,710,239	(84,625)	11,729,935	11,481,426	248,509
Current liabilities	1,694,155	1,503,605	190,550	3,398,609	3,348,104	50,505	5,092,764	4,851,709	241,055
Notes & accounts payable	961,112	957,055	4,057	16,297	26,539	(10,242)	977,409	983,594	(6,185)
Short-term borrowings	(329,012)	(665,980)	336,968	3,262,571	3,199,746	62,825	2,933,559	2,533,766	399,793
Lease obligation	48,108	57,804	(9,696)	735	719	16	48,843	58,523	(9,680)
Other current liabilities	1,013,947	1,154,726	(140,779)	119,006	121,100	(2,094)	1,132,953	1,275,826	(142,873)
Long-term liabilities	1,230,146	1,305,214	(75,068)	1,785,056	1,950,627	(165,571)	3,015,202	3,255,841	(240,639)
Bonds and debentures	379,783	381,346	(1,563)	343,974	326,861	17,113	723,757	708,207	15,550
Long-term borrowings	167,507	174,734	(7,227)	1,064,794	1,270,954	(206,160)	1,232,301	1,445,688	(213,387)
Lease obligation	64,722	71,708	(6,986)	-	-	-	64,722	71,708	(6,986)
Other long-term liabilities	618,134	677,426	(59,292)	376,288	352,812	23,476	994,422	1,030,238	(35,816)
Total liabilities	2,924,301	2,808,819	115,482	5,183,665	5,298,731	(115,066)	8,107,966	8,107,550	416
Minority interests	-	284,062	(284,062)	-	1,831	(1,831)	-	285,893	(285,893)
Common stock	-	514,489	(514,489)	-	91,325	(91,325)	-	605,814	(605,814)
Capital surplus	-	773,623	(773,623)	-	30,847	(30,847)	-	804,470	(804,470)
Retained earnings and unrealized holding gain on securities	-	1,870,127	(1,870,127)	-	261,038	(261,038)	-	2,131,165	(2,131,165)
Translation adjustments	-	(230,780)	230,780	-	26,467	(26,467)	-	(204,313)	204,313
Treasury stock	-	(249,153)	249,153	-	-	-	-	(249,153)	249,153
Total shareholders' equity	-	2,678,306	(2,678,306)	-	409,677	(409,677)	-	3,087,983	(3,087,983)
Total liabilities, minority interests and shareholders' equity	-	5,771,187	(5,771,187)	-	5,710,239	(5,710,239)	-	11,481,426	(11,481,426)
Shareholder's equity	3,055,248	-	3,055,248	409,330	-	409,330	3,464,578	-	3,464,578
Common stock	513,628	-	513,628	92,186	-	92,186	605,814	-	605,814
Capital surplus	773,623	-	773,623	30,847	-	30,847	804,470	-	804,470
Retained earnings	2,001,368	-	2,001,368	286,297	-	286,297	2,287,665	-	2,287,665
Treasury stock	(233,371)	-	(233,371)	-	-	-	(233,371)	-	(233,371)
Valuation, Translation adjustments and others	(176,906)	-	(176,906)	30,729	-	30,729	(146,177)	-	(146,177)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	53,179	-	53,179	26	-	26	53,205	-	53,205
Translation adjustments	(230,783)	-	(230,783)	28,954	-	28,954	(201,829)	-	(201,829)
Other	698	-	698	1,749	-	1,749	2,447	-	2,447
Share Subscription Rights	2,887	-	2,887	-	-	-	2,887	-	2,887
Minority interests	298,791	-	298,791	1,890	-	1,890	300,681	-	300,681
Total net assets	3,180,020	-	3,180,020	441,949	-	441,949	3,621,969	-	3,621,969
Total liabilities & net assets	6,104,321	-	6,104,321	5,625,614	-	5,625,614	11,729,935	-	11,729,935

Note: 1. Sales finance receivables of Automobile & eliminations represent the amount eliminated for intercompany transactions related to

wholesale finance made by Sales Financing segment.

2. Borrowings of Automobile & eliminations represent the amount after deducting the amount of internal loans receivable from Sales Financing segment.

(06/3 968,451 million yen, 06/9 1,112,196 million yen)

(Interest bearing debt by business segment)

	(millions of Yen)								
	Consolidated total								
	Automobile & eliminations			Sales Financing					
	as of 9/30/06	as of 3/31/06	Change	as of 9/30/06	as of 3/31/06	Change	as of 9/30/06	as of 3/31/06	Change
Short-term borrowings from Third Parties	783,184	302,471	480,713	2,150,375	2,231,295	(80,920)	2,933,559	2,533,766	399,793
Internal Loans to Sales Financing	(1,112,196)	(968,451)	(143,745)	1,112,196	968,451	143,745	-	-	-
Short-term borrowings (per B/S)	(329,012)	(665,980)	336,968	3,262,571	3,199,746	62,825	2,933,559	2,533,766	399,793
Bonds and debentures	379,783	381,346	(1,563)	343,974	326,861	17,113	723,757	708,207	15,550
Long-term borrowings from Third Parties	167,507	174,734	(7,227)	1,064,794	1,270,954	(206,160)	1,232,301	1,445,688	(213,387)
Internal Loans to Sales Financing	-	-	-	-	-	-	-	-	-
Long-term borrowings (per B/S)	167,507	174,734	(7,227)	1,064,794	1,270,954	(206,160)	1,232,301	1,445,688	(213,387)
Lease obligation	112,830	129,512	(16,682)	735	719	16	113,565	130,231	(16,666)
Internal Loans from Sales Financing	981	-	981	(981)	-	(981)	-	-	-
Total interest bearing debt	332,089	19,612	312,477	4,671,093	4,798,280	(127,187)	5,003,182	4,817,892	185,290
Cash and cash equivalent	427,031	392,505	34,526	16,089	11,707	4,382	443,120	404,212	38,908
Net interest bearing debt	(94,942)	(372,893)	277,951	4,655,004	4,786,573	(131,569)	4,560,062	4,413,680	146,382
Debt for Canton Plant included	96,812	98,500	(1,688)	-	-	-	96,812	98,500	(1,688)
Lease obligation included	112,830	129,512	(16,682)	735	719	16	113,565	130,231	(16,666)
Net interest bearing debt (except for those related to Canton Plant and lease obligation)	(304,584)	(600,905)	296,321	4,654,269	4,785,854	(131,585)	4,349,685	4,184,949	164,736

2). Statements of income by business segment

(millions of Yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing			Change		
	4/1/06 - 9/30/06	4/1/05 - 9/30/05	Change	4/1/06 - 9/30/06	4/1/05 - 9/30/05	Change	4/1/06 - 9/30/06	4/1/05 - 9/30/05	Change
Net sales	4,206,581	4,238,595	(32,014)	327,819	252,380	75,439	4,534,400	4,490,975	43,425
Cost of sales	3,207,621	3,181,781	25,840	248,411	173,982	74,429	3,456,032	3,355,763	100,269
Gross profit	998,960	1,056,814	(57,854)	79,408	78,398	1,010	1,078,368	1,135,212	(56,844)
Operating profit as a percentage of net sales	7.4%	8.9%	(1.5%)	11.4%	13.6%	(2.2%)	7.7%	9.2%	(1.5%)
Operating profit	311,222	377,115	(65,893)	37,423	34,423	3,000	348,645	411,538	(62,893)
Net financial cost	(3,614)	(679)	(2,935)	8	(3)	11	(3,606)	(682)	(2,924)
Others	15,212	(15,468)	30,680	612	251	361	15,824	(15,217)	31,041
Ordinary profit	322,820	360,968	(38,148)	38,043	34,671	3,372	360,863	395,639	(34,776)
Income before income taxes and minority interests	317,900	332,853	(14,953)	37,799	34,588	3,211	355,699	367,441	(11,742)
Net income	251,251	208,345	42,906	22,926	22,357	569	274,177	230,702	43,475

Net financial cost

Total	(3,614)	(679)	(2,935)	8	(3)	11	(3,606)	(682)	(2,924)
Interest on Lease obligation	(1,765)	(2,063)	298	(8)	(8)	-	(1,773)	(2,071)	298
Eliminations	(26,327)	(14,455)	(11,872)	-	-	-	(26,327)	(14,455)	(11,872)
Net financial cost by segment	24,478	15,839	8,639	16	5	11	24,494	15,844	8,650

3). Statements of cash flows by business segment

(millions of Yen)

	FY06 1st half			FY05 1st half		
	Consolidated total			Consolidated total		
	Automobile & eliminations	Sales Financing		Automobile & eliminations	Sales Financing	
Operating activities						
Income before income taxes and minority interests	317,900	37,799	355,699	332,853	34,588	367,441
Depreciation and amortization	201,569	153,752	355,321	194,846	115,618	310,464
(Increase) decrease in sales finance receivables	(103,770)	273,845	170,075	(51,820)	4,487	(47,333)
Others	(419,962)	20,945	(399,017)	(529,269)	75,967	(453,302)
Subtotal	(4,263)	486,341	482,078	(53,390)	230,660	177,270
Investing activities						
Proceeds from sales of investment securities	25,056	-	25,056	21,776	-	21,776
Proceeds from sales of property, plant and equipment	16,869	-	16,869	25,793	1	25,794
Purchases of fixed assets	(255,579)	(4,519)	(260,098)	(216,260)	(6,938)	(223,198)
Purchases of leased vehicles	(6,486)	(510,610)	(517,096)	(24,969)	(476,702)	(501,671)
Proceeds from sales of leased vehicles	11,764	155,820	167,584	11,849	108,441	120,290
Others	(11,041)	14,754	3,713	(35,742)	1,534	(34,208)
Subtotal	(219,417)	(344,555)	(563,972)	(217,553)	(373,664)	(591,217)
Financing activities						
Increase in short-term borrowings	458,765	(46,758)	412,007	298,742	(12,132)	286,610
(Decrease) increase or redemption of long-term debt	(130,443)	(143,949)	(274,392)	(180,573)	99,450	(81,123)
Increase in bonds and debentures	-	53,385	53,385	227,386	50,000	277,386
Others	(85,645)	(160)	(85,805)	(104,886)	1,790	(103,096)
Subtotal	242,677	(137,482)	105,195	240,669	139,108	379,777
Effect of exchange rate changes on cash and cash equivalents	2,958	(735)	2,223	(988)	522	(466)
Increase (decrease) in cash and cash equivalents	21,955	3,569	25,524	(31,262)	(3,374)	(34,636)
Cash and cash equivalents at beginning of period	392,505	11,707	404,212	280,176	9,608	289,784
Increase due to inclusion in consolidation	12,571	813	13,384	3	-	3
Cash and cash equivalents at end of period	427,031	16,089	443,120	248,917	6,234	255,151

Note: Increase in short-term borrowings of Automobile & eliminations include the amounts eliminated for decrease (FY05 1st half 78,310 million yen) and increase (FY06 1st half 138,491 million yen) in internal loans receivable from Sales Financing segment.

3. Geographical Segment information

[in Millions of yen, () indicates minus]

4/1/06 - 9/30/06	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	1,170,119	1,964,032	755,622	644,627	4,534,400	—	4,534,400
(2) Inter-group sales and transfers	1,023,673	65,480	42,513	8,890	1,140,556	(1,140,556)	—
Total	2,193,792	2,029,512	798,135	653,517	5,674,956	(1,140,556)	4,534,400
Operating expenses	2,060,124	1,881,941	771,290	621,479	5,334,834	(1,149,079)	4,185,755
Operating income	133,668	147,571	26,845	32,038	340,122	8,523	348,645

4/1/05 - 9/30/05	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	1,327,895	1,855,923	691,071	616,086	4,490,975	-	4,490,975
(2) Inter-group sales and transfers	1,044,535	54,080	34,658	5,527	1,138,800	(1,138,800)	-
Total	2,372,430	1,910,003	725,729	621,613	5,629,775	(1,138,800)	4,490,975
Operating expenses	2,173,047	1,744,637	707,543	588,286	5,213,513	(1,134,076)	4,079,437
Operating income	199,383	165,366	18,186	33,327	416,262	(4,724)	411,538

Notes 1. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

2. Major countries and areas which belong to segments other than Japan are as follows :

- (1) North America : U.S.A., Canada, Mexico
- (2) Europe : France, U.K., Spain and other European countries
- (3) Others : Asia, Oceania, the Middle and Near East, Central and South America
excluding Mexico and South Africa

The three-month period ended September 30, 2006

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	597,865	992,267	408,281	325,600	2,324,013	-	2,324,013
(2) Inter-group sales and transfers	525,624	30,326	22,494	4,576	583,020	(583,020)	-
Total	1,123,489	1,022,593	430,775	330,176	2,907,033	(583,020)	2,324,013
Operating expenses	1,058,349	932,356	408,683	313,979	2,713,367	(584,654)	2,128,713
Operating income	65,140	90,237	22,092	16,197	193,666	1,634	195,300

The three-month period ended September 30, 2005

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	694,209	959,525	366,685	325,696	2,346,115	-	2,346,115
(2) Inter-group sales and transfers	529,390	29,662	23,992	2,789	585,833	(585,833)	-
Total	1,223,599	989,187	390,677	328,485	2,931,948	(585,833)	2,346,115
Operating expenses	1,127,980	908,522	375,705	311,209	2,723,416	(582,582)	2,140,834
Operating income	95,619	80,665	14,972	17,276	208,532	(3,251)	205,281

Fiscal year 2005

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	2,674,549	4,100,662	1,414,674	1,238,407	9,428,292	-	9,428,292
(2) Inter-group sales and transfers	2,194,405	138,585	82,632	13,928	2,429,550	(2,429,550)	-
Total	4,868,954	4,239,247	1,497,306	1,252,335	11,857,842	(2,429,550)	9,428,292
Operating expenses	4,478,536	3,852,304	1,430,127	1,194,714	10,955,681	(2,399,230)	8,556,451
Operating income	390,418	386,943	67,179	57,621	902,161	(30,320)	871,841

Note: 1. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

2. Major countries and areas which belong to segments other than Japan are as follows :

(1) North America : U.S.A., Canada, Mexico

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

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

4. Overseas Net sales

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

4/1/06 - 9/30/06		North America	Europe	Other foreign countries	Total
(1) Overseas net sales	[Millions of yen]	1,913,868	765,549	817,266	3,496,683
(2) Consolidated net sales	[Millions of yen]				4,534,400
(3) Overseas net sales / Consolidated net sales		42.2%	16.9%	18.0%	77.1%

4/1/05 - 9/30/05		North America	Europe	Other foreign countries	Total
(1) Overseas net sales	[Millions of yen]	1,811,634	698,255	816,630	3,326,519
(2) Consolidated net sales	[Millions of yen]				4,490,975
(3) Overseas net sales / Consolidated net sales		40.3%	15.6%	18.2%	74.1%

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. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Areas which belong to segments other than Japan are as follows:

(1) North America : USA, Canada, Mexico

(2) Europe : France, 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

The three-month period ended September 30, 2006

	North America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of yen]	966,336	412,782	410,163	1,789,281
(2) Consolidated net sales [Millions of yen]				2,324,013
(3) Overseas net sales / Consolidated net sales	41.6%	17.8%	17.6%	77.0%

The three-month period ended September 30, 2005

	North America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of yen]	937,183	369,812	423,752	1,730,747
(2) Consolidated net sales [Millions of yen]				2,346,115
(3) Overseas net sales / Consolidated net sales	39.9%	15.8%	18.1%	73.8%

Fiscal year 2005

	North America	Europe	Other foreign countries	Total
(1) Overseas net sales [Millions of yen]	4,014,475	1,414,929	1,655,630	7,085,034
(2) Consolidated net sales [Millions of yen]				9,428,292
(3) Overseas net sales / Consolidated net sales	42.6%	15.0%	17.6%	75.2%

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. Countries and areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Areas which belong to segments other than Japan are as follows:

(1) North America : USA, Canada, Mexico

(2) Europe : France, 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

8. Production and sales

1) Consolidated production volume

(Units)

	1st Half FY06	1st Half FY05	Change	
			Units	%
Japan	575,625	692,971	(117,346)	(16.9)
U.S.A.	341,804	400,165	(58,361)	(14.6)
Mexico	198,310	177,081	21,229	12.0
U.K.	159,759	165,928	(6,169)	(3.7)
Spain	106,185	97,380	8,805	9.0
South Africa	20,445	22,722	(2,277)	(10.0)
Indonesia	1,858	7,223	(5,365)	(74.3)
Thailand	18,624	21,189	(2,565)	(12.1)
China	116,141	102,694	13,447	13.1
Total	1,538,751	1,687,353	(148,602)	(8.8)

Note: Period of counting units

Japan, U.S.A
Others

April/2006-September/2006
January/2006-June/2006

2) Consolidated wholesale units by region

(Units)

	1st Half FY06	1st Half FY05	Change	
			Units	%
Japan	339,088	406,209	(67,121)	(16.5)
North America	612,933	645,920	(32,987)	(5.1)
Europe	295,514	302,997	(7,483)	(2.5)
Others	357,536	383,982	(26,446)	(6.9)
Total	1,605,071	1,739,108	(134,037)	(7.7)

Note: Period of counting units

Japan , North America (except for Mexico)
April/2006-September/2006
North America (Mexico only) , Europe
January/2006-June/2006

9. Footnotes to be disclosed

Following information is disclosed by EDINET.

- Lease transactions
- Fair value of derivative transactions
- Stock option

FY2006 Semi-Annual Non-Consolidated Financial Results

(Six months ended September 30, 2006)

October 26, 2006

Company name : Nissan Motor Co., Ltd
 Stock exchanges on which the shares are listed : Tokyo Stock Exchange in Japan
 Code number : 7201
 Location of the head office : Tokyo
 URL : <http://www.nissan-global.com/EN/IR/>
 Representative person : Carlos Ghosn, President
 Contact person : Sadayuki Hamaguchi, Senior manager,
 Global Communications CSR and Investor Relations Division,
 Communications CSR Department
 Tel. (03) 3543 - 5523
 Date of the meeting of the Board of Directors for FY2006 semi-annual financial results : October 26, 2006
 Date of starting actual payment of interim cash dividends : November 28, 2006
 Number of shares in unit share system : 100 shares

1. Results of FY2006 semi-annual period (April 1, 2006 through September 30, 2006)

<1> Results of non-consolidated operations (Amounts less than one million yen are omitted.)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2006 1st half	1,696,986	(10.8)	102,121	(28.8)	98,670	(16.0)
FY2005 1st half	1,903,358	9.9	143,411	14.4	117,461	7.5
FY2005	3,895,553		254,159		337,156	

	Net income		Net income per share
	Millions of yen	%	Yen
FY2006 1st half	62,182	(3.9)	14.12
FY2005 1st half	64,705	(12.5)	14.81
FY2005	240,593		54.88

Note 1: Average number of shares issued and outstanding in each period
 FY2006 1st half 4,404,530,517 shares
 FY2005 1st half 4,370,024,378 shares
 FY2005 4,377,213,073 shares

Note 2: Changes of accounting policies were not made.

Note 3: Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from previous semi-annual period

<2> Non-consolidated financial position

	Total assets	Net assets	Net assets excluding share subscription rights as a percentage of total assets	Net assets excluding share subscription rights per share
	Millions of yen	Millions of yen	%	Yen
FY2006 1st half	3,970,612	1,829,356	46.0	413.92
FY2005 1st half	3,952,166	1,685,563	42.6	385.63
FY2005	3,845,041	1,827,030	47.5	415.28

Note 1: Number of shares issued and outstanding at the end of each period
 FY2006 1st half 4,412,601,619 shares
 FY2005 1st half 4,370,960,055 shares
 FY2005 4,398,614,530 shares

Note 2: Number of treasury stock at the end of each period
 FY2006 1st half 108,113,493 shares
 FY2005 1st half 149,755,057 shares
 FY2005 122,100,582 shares

2. Non-consolidated forecast for FY2006 (April 1, 2006 through March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
FY2006	-	-	-

Reference : Forecast of net income per share (yen)

3. Cash dividends

	Cash dividends per share		
	interim dividend	final dividend	Annual dividends
FY2005	14.00	15.00	29.00
FY2006 (results)	17.00	-	
FY2006 (forecast)	-	17.00	34.00

1. Production and Sales

VEHICLE PRODUCTION

(FY2006 1st Half and FY2005 1st Half)

	FY2006 1st Half	FY2005 1st Half	Change (%)
(Units)			
Domestic	575,625	692,971	(16.9%)

NON-CONSOLIDATED SALES BY PRODUCT LINE

(FY2006 1st Half and FY2005 1st Half)

	FY2006 1st Half	FY2005 1st Half	Change (%)
Vehicle whole sales (Units)			
Total vehicle whole sales	650,189	747,931	(13.1%)
Domestic	353,468	417,907	(15.4%)
Export	296,721	330,024	(10.1%)
Passenger vehicles	521,678	607,742	(14.2%)
Domestic	289,982	348,385	(16.8%)
Export	231,696	259,357	(10.7%)
Commercial vehicles	128,511	140,189	(8.3%)
Domestic	63,486	69,522	(8.7%)
Export	65,025	70,667	(8.0%)
Net sales (millions of yen)			
Total net sales	1,696,986	1,903,358	(10.8%)
Domestic	638,998	762,169	(16.2%)
Export	1,057,987	1,141,188	(7.3%)
Vehicles	1,149,535	1,319,140	(12.9%)
Domestic	529,436	653,633	(19.0%)
Export	620,098	665,507	(6.8%)
Parts and components for overseas production	275,321	309,453	(11.0%)
Domestic	-	-	-
Export	275,321	309,453	(11.0%)
Automotive parts	146,666	143,812	2.0%
Domestic	98,889	97,752	1.2%
Export	47,776	46,060	3.7%
Other	99,653	108,030	(7.8%)
Domestic	401	1,263	(68.2%)
Export	99,251	106,766	(7.0%)
Sub total of automotive business:	1,671,176	1,880,436	(11.1%)
Domestic	628,727	752,649	(16.5%)
Export	1,042,448	1,127,787	(7.6%)
Forklifts equipment	25,810	22,921	12.6%
Domestic	10,271	9,520	7.9%
Export	15,538	13,400	16.0%

Other automotive business consists of royalty income, and sales of equipment and tools for production.

2.Semi-Annual Non-Consolidated Financial Statements

1) Semi-Annual Non-Consolidated Statements of Income

(1st half FY2006, 1st half FY2005 and FY2005)

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

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

	FY2006 1st Half	FY2005 1st Half	Change	FY2005
NET SALES	100% 1,696,986	100% 1,903,358	(206,371)	100% 3,895,553
COST OF SALES	1,422,764	1,555,788	(133,024)	3,189,629
Gross profit	16.2% 274,222	18.3% 347,569	(73,347)	18.1% 705,924
Selling, general and administrative expenses	172,101	204,157	(32,056)	451,765
OPERATING INCOME	6.0% 102,121	7.5% 143,411	(41,290)	6.5% 254,159
NON-OPERATING INCOME	9,679	6,909	2,770	141,841
Interest and dividend income	6,168	5,359	809	137,445
Other non-operating income	3,511	1,550	1,961	4,396
NON-OPERATING EXPENSES	13,130	32,859	(19,728)	58,845
Interest expense	4,835	5,215	(380)	10,051
Amortization of net retirement benefit obligation at transition	4,027	4,231	(204)	8,258
Foreign exchange loss	-	17,306	(17,306)	26,459
Other non-operating expenses	4,267	6,105	(1,838)	14,075
ORDINARY INCOME	5.8% 98,670	6.2% 117,461	(18,790)	8.7% 337,156
EXTRAORDINARY GAINS	38,099	7,288	30,810	34,552
Gains on sales of property, plant and equipment	17	836	(819)	3,916
Gains on sales of investment securities	11,215	27	11,188	22,277
Reversal of allowance for doubtful accounts	25,789	5,394	20,395	5,394
Other extraordinary gains	1,077	1,031	45	2,963
EXTRAORDINARY LOSSES	61,527	36,968	24,559	92,097
Devaluation loss on investments and receivables	51,137	5,679	45,458	32,565
Impairment loss	77	10,047	(9,970)	10,527
Other extraordinary losses	10,312	21,240	(10,928)	49,004
INCOME BEFORE INCOME TAXES	4.4% 75,242	4.6% 87,782	(12,539)	7.2% 279,610
INCOME TAXES-CURRENT	30	43,743	(43,712)	80,130
INCOME TAXES-DEFERRED	13,029	(20,666)	33,695	(41,112)
NET INCOME	3.7% 62,182	3.4% 64,705	(2,523)	6.2% 240,593
RETAINED EARNINGS BROUGHT FORWARD FROM PREVIOUS YEAR	-	239,059	-	239,059
LOSS ON DISPOSAL OF TREASURY STOCK	-	4,984	-	15,467
INTERIM CASH DIVIDENDS	-	-	-	61,193
UNAPPROPRIATED RETAINED EARNINGS AT END OF PERIOD	-	298,779	-	402,990

The second quarter (July 1, 2006 through Sep 30, 2006)

(in millions of Yen)

	FY2006 second quarter (The three-month)	FY2005 second quarter (The three-month)	Change
NET SALES	100% 879,747	100% 973,160	(93,412)
COST OF SALES	743,663	804,204	(60,540)
Gross profit	15.5% 136,083	17.4% 168,955	(32,871)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	92,436	115,119	(22,683)
Operating income	5.0% 43,647	5.5% 53,836	(10,188)
NON-OPERATING INCOME	8,448	3,884	4,564
Interest and dividend income	3,988	3,029	959
Other non-operating income	4,460	854	3,605
NON-OPERATING EXPENSES	7,241	23,881	(16,639)
Interest expense	2,762	2,602	160
Amortization of net retirement benefit obligation at transition	2,013	2,013	-
Foreign exchange loss	-	16,522	(16,522)
Other non-operating expenses	2,465	2,743	(277)
Ordinary income	5.1% 44,855	3.5% 33,839	11,015
EXTRAORDINARY GAINS	11,359	1,545	9,813
EXTRAORDINARY LOSSES	58,213	12,337	45,876
Income before income taxes	(0.2%) (1,999)	2.4% 23,048	(25,048)
Income taxes	(4,397)	853	(5,251)
Net income	0.3% 2,397	2.3% 22,194	(19,796)

2) Semi-Annual Non-Consolidated Balance Sheets
as of Sep 30, 2006, Mar 31, 2006 and Sep 30, 2005
[in millions of Yen, () indicates loss or minus]

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

	as of 9/30/06	as of 3/31/06	Change	as of 9/30/05
[ASSETS]				
CURRENT ASSETS	1,541,108	1,385,576	155,532	1,528,569
Cash on hand and in banks	24,023	148,532	(124,508)	73,062
Trade notes receivable	321	577	(256)	390
Trade accounts receivable	389,637	286,667	102,970	404,905
Finished products	75,950	73,001	2,949	84,180
Other inventories	81,907	68,843	13,064	70,892
Short-term loans receivable from subsidiaries & affiliates	736,005	634,755	101,250	739,675
Other	235,686	201,220	34,466	183,968
Allowance for doubtful accounts	(2,423)	(28,020)	25,597	(28,506)
FIXED ASSETS	2,429,503	2,457,922	(28,418)	2,421,525
Property, plant & equipment	788,878	775,073	13,805	728,734
Buildings	181,668	177,335	4,332	165,820
Machinery & equipment	232,991	226,507	6,483	215,736
Land	139,680	132,844	6,836	133,927
Other	234,538	238,385	(3,847)	213,249
Intangible assets	47,377	49,827	(2,449)	43,328
Investments & other assets	1,593,247	1,633,021	(39,774)	1,649,462
Investment securities	17,095	43,986	(26,891)	19,043
Investments in stock of subsidiaries & affiliates	1,477,468	1,450,004	27,464	1,490,629
Long-term loans receivable	1,041	1,171	(129)	1,509
Other	99,243	139,579	(40,335)	138,425
Allowance for doubtful accounts	(1,602)	(1,720)	118	(144)
DEFERRED ASSETS	-	1,543	(1,543)	2,071
Discounts on bonds	-	1,543	(1,543)	2,071
TOTAL ASSETS	3,970,612	3,845,041	125,571	3,952,166
[LIABILITIES]				
CURRENT LIABILITIES	1,578,811	1,434,848	143,962	1,582,518
Trade notes payable	341	225	116	580
Trade accounts payable	408,204	465,828	(57,623)	439,174
Short-term borrowings	205,000	147,096	57,903	261,320
Current portion of long-term borrowings	41,126	36,776	4,350	9,826
Commercial paper	490,000	88,000	402,000	316,000
Current maturities of bonds	59,763	160,000	(100,236)	145,000
Accrued expenses	212,020	268,556	(56,535)	207,542
Income taxes payable	3,709	53,421	(49,712)	41,382
Warrants	-	3,143	(3,143)	4,284
Accrued warranty costs	30,838	31,717	(879)	26,883
Lease obligation	24,213	31,667	(7,453)	36,394
Other	103,595	148,415	(44,820)	94,128
LONG-TERM LIABILITIES	562,444	583,162	(20,718)	684,084
Bonds	430,024	430,800	(775)	490,800
Long-term borrowings	44,902	50,790	(5,888)	86,028
Accrued warranty costs	48,272	51,248	(2,976)	44,251
Accrued retirement benefits	10,792	22,391	(11,598)	35,357
Lease obligation	27,397	26,873	523	26,626
Other	1,055	1,059	(3)	1,021
TOTAL LIABILITIES	2,141,255	2,018,011	123,244	2,266,602
[SHAREHOLDERS' EQUITY]				
COMMON STOCK	-	605,813	(605,813)	605,813
CAPITAL SURPLUS	-	804,470	(804,470)	804,470
Capital reserve	-	804,470	(804,470)	804,470
RETAINED EARNINGS	-	536,165	(536,165)	431,954
Legal reserve	-	53,838	(53,838)	53,838
General reserve	-	79,335	(79,335)	79,335
Unappropriated retained earnings	-	402,990	(402,990)	298,779
UNREALIZED HOLDING GAIN ON SECURITIES	-	13,932	(13,932)	6,875
TREASURY STOCK	-	(133,351)	133,351	(163,549)
TOTAL SHAREHOLDERS' EQUITY	-	1,827,030	(1,827,030)	1,685,563
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	-	3,845,041	(3,845,041)	3,952,166

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

	as of 9/30/06	as of 3/31/06	Change	as of 9/30/05
[NET ASSETS]				
SHAREHOLDERS' EQUITY	1,820,928	-	1,820,928	-
COMMON STOCK	605,813	-	605,813	-
CAPITAL SURPLUS	804,470	-	804,470	-
Capital reserve	804,470	-	804,470	-
RETAINED EARNINGS	528,724	-	528,724	-
Legal reserve	53,838	-	53,838	-
Voluntary reserve	474,885	-	474,885	-
Reserve for reduction of replacement cost of specified properties	68,154	-	68,154	-
Reserve for losses on overseas investments	725	-	725	-
Reserve for special depreciation	749	-	749	-
Unappropriated retained earnings	405,255	-	405,255	-
TREASURY STOCK	(118,079)	-	(118,079)	-
VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS	5,540	-	5,540	-
Unrealized holding gain on securities	5,969	-	5,969	-
Deferred gain and loss from hedging instruments	(428)	-	(428)	-
SHARE SUBSCRIPTION RIGHTS	2,887	-	2,887	-
TOTAL NET ASSETS	1,829,356	-	1,829,356	-
TOTAL LIABILITIES & NET ASSETS	3,970,612	-	3,970,612	-

3) Semi-Annual Non-consolidated Statement of Changes in Net Assets

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

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total Shareholders' equity
		Capital reserve	Total Capital surplus	Legal reserve	Voluntary reserve (Note)	Total Retained earnings		
Balances as of Mar.31, 2006	605,813	804,470	804,470	53,838	482,326	536,165	(133,351)	1,813,097
Changes in 1st half of FY2006								
Appropriation of retained earnings in accordance with a resolution approved by the annual general meeting of shareholders resolution								
Reserve provided	-	-	-	-	-	-	-	-
Reserve reversed	-	-	-	-	-	-	-	-
Cash dividends paid	-	-	-	-	(65,979)	(65,979)	-	(65,979)
Bonuses to directors	-	-	-	-	(390)	(390)	-	(390)
Reserve provided in accordance with the special taxation measures law	-	-	-	-	-	-	-	-
Net income	-	-	-	-	62,182	62,182	-	62,182
Purchases of treasury stock	-	-	-	-	-	-	(25)	(25)
Disposal of treasury stock	-	-	-	-	(3,254)	(3,254)	15,297	12,043
Net changes in items other than those in shareholders' equity	-	-	-	-	-	-	-	-
Total of changes in 1st half of FY2006	-	-	-	-	(7,441)	(7,441)	15,272	7,831
Balances as of Sep.30, 2006	605,813	804,470	804,470	53,838	474,885	528,724	(118,079)	1,820,928

	Valuation, Translation adjustments and Others			Share subscription rights	Total Net assets
	Unrealized holding gain on securities	Deferred gain & loss from hedging instruments	Total Valuation, Translation adjustments and Others		
Balances as of Mar.31, 2006	13,932	-	13,932	3,143	1,830,173
Changes in 1st half of FY2006					
Appropriation of retained earnings in accordance with a resolution approved by the annual general meeting of shareholders resolution					
Reserve provided	-	-	-	-	-
Reserve reversed	-	-	-	-	-
Cash dividends paid	-	-	-	-	(65,979)
Bonuses to directors	-	-	-	-	(390)
Reserve provided in accordance with the special taxation measures law	-	-	-	-	-
Net income	-	-	-	-	62,182
Purchases of treasury stock	-	-	-	-	(25)
Disposal of treasury stock	-	-	-	-	12,043
Net changes in items other than those in shareholders' equity	(7,963)	(428)	(8,391)	(255)	(8,647)
Total of changes in 1st half of FY2006	(7,963)	(428)	(8,391)	(255)	(816)
Balances as of Sep.30, 2006	5,969	(428)	5,540	2,887	1,829,356

(Note) Detail of voluntary reserve

	Reserve for reduction of replacement cost of specified properties	Reserve for losses on overseas investments	Reserve for special depreciation	Unappropriated retained earnings	Total Voluntary reserve
Balances as of Mar.31, 2006	77,175	1,471	687	402,990	482,326
Changes in 1st half of FY2006					
Appropriation of retained earnings in accordance with a resolution approved by the annual general meeting of shareholders resolution					
Reserve provided	1,769	-	286	(2,055)	-
Reserve reversed	(7,176)	(499)	(139)	7,814	-
Cash dividends paid	-	-	-	(65,979)	(65,979)
Bonuses to directors	-	-	-	(390)	(390)
Reserve provided in accordance with the special taxation measures law	(3,614)	(246)	(86)	3,947	-
Net income	-	-	-	62,182	62,182
Purchases of treasury stock	-	-	-	-	-
Disposal of treasury stock	-	-	-	(3,254)	(3,254)
Total of changes in 1st half of FY2006	(9,020)	(746)	61	2,264	(7,441)
Balances as of Sep.30, 2006	68,154	725	749	405,255	474,885

4) Basis of Semi-Annual Non-Consolidated Financial Statements

1. Valuation methods for assets

- (1) Valuation of inventories
Inventories are carried at the lower of cost or market, cost being determined by the first-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 net assets. 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 and amortization of fixed assets

- (1) Depreciation of property, plant and equipment is calculated by straight-line method based on their 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 historical experience of bad debts for normal receivables plus an estimate of uncollectible amounts determined by reference to the collectibility of individual 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) Accrued retirement benefits
Accrued retirement benefits are provided for the payment of retirement benefits at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at fiscal year end. 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. Lease transactions

Noncancellable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases.

5. Hedge accounting method

Hedge accounting

Deferral hedge accounting is adopted for derivatives which qualify as hedges, under which unrealized gain or loss is deferred.

Hedging instruments and hedged items

Hedging instruments - Derivative transactions

Hedged items - Mainly forecasted sales denominated in foreign currencies.

Hedging policy

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

Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of forecasted transactions are substantially same as those of hedging instruments.

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. Changes in accounting methods

Accounting Standard for Share-based Payment

Effective April 1, 2006, the Company adopted a new accounting standard for share-based payment and related implementation guidance.

The effect of this change was to decrease operating income, ordinary income and income before income taxes by yen 460 million for the six months ended September 30, 2006 from the corresponding amounts which would have been recorded if the previous method had been followed.

Accounting Standard for Presentation of Net Assets in the Balance Sheet

Effective April 1, 2006, the Company adopted a new accounting standard for presentation of net assets in the balance sheet and related implementation guidance.

Shareholders' equity under the previous presentation method amounted to yen 1,826,897 million as of September 30, 2006.

Net assets in the balance sheet as of September 30, 2006 have been presented in accordance with the revised "Regulations for Semiannual Non-Consolidated Financial Statements."

5) Notes to Semi-Annual Non-Consolidated Financial Statements

1. Accumulated depreciation of property, plant and equipment: Yen 1,302,890 million.

(The above amount includes accumulated depreciation of leased assets: Yen 113,931 million.)

2. As endorser of documentary export bills discounted with banks: Yen 198 million

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

Guarantees total yen 317,959 million (yen 139,879 million),

The above included those for employee's residence mortgages in the amount of yen 152,513 million for which the Company provides the allowance based on the past experience of bad debts.

In addition, the guarantee in the amount of yen 25,500 million was secured by collateral.

Commitments to provide guarantees total yen 1,150 million.

The Company entered into Keepwell Agreements with certain subsidiaries to support their credibility. Liabilities of such subsidiaries totaled yen 3,267,080 million

4. Depreciation

Property, plant, and equipment: Yen 52,196 million

Intangible assets: Yen 8,866 million

(The above amounts include depreciation of leased assets: Yen 20,985 million.)

5. Impairment losses

Usage of assets	Asset category	Location	Millions of yen
Idle property	Machinery & equipment	Tochigi Plant(Kaminokawa-machi,Tochigi)	77

6. Semi-Annual Non-consolidated Statement of Changes in Net Assets

Type and number of treasury stock					(thousands of shares)
Classes of stocks	as of Mar 31,2006	Increase	Decrease	as of Sep 30,2006	
Common stock	122,101	19	14,007	108,113	

(Note) An increase by purchase of the stocks less than unit.

A decrease by having exercised new share subscription right.

7. Fair value information on securities issued by subsidiaries and affiliates

(millions of yen)

	as of Sept 30, 2006			as of Sept 30, 2005			as of Mar 31, 2006		
	Carrying Value	fair value	differences	Carrying Value	fair value	differences	Carrying Value	fair value	differences
Subsidiaries	91,267	182,936	91,669	91,267	201,620	110,353	91,267	220,995	129,728
Affiliates	1,090	2,929	1,839	5,815	37,911	32,096	1,090	3,638	2,548
Total	92,357	185,866	93,508	97,082	239,531	142,449	92,357	224,634	132,276

8. Lease Transactions

Disclosed by EDINET.