



# FY2007 Consolidated Financial Results

(Year ended March 31, 2008)

May 13, 2008

Company name : Nissan Motor Co., Ltd.  
 Code number : 7201  
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<Tokyo Stock Exchange in Japan>  
 (URL <http://www.nissan-global.com/EN/IR/>)

Scheduled date of the general meeting of shareholder: : To be decided by the board of directors  
 Scheduled date of payment of cash dividends : To be decided by the board of directors  
 Scheduled date of filing Yukashoken-Houkokusho : After the general meeting of shareholders

(Amounts less than one million yen are rounded)

## 1. Results of FY2007 (April 1, 2007 through March 31, 2008)

<1>-1 Results of consolidated operations for twelve-month period ended March 31, 2008

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2007	10,824,238	3.4	790,830	1.8	766,400	0.7	482,261	4.7
FY2006	10,468,583	11.0	776,939	(10.9)	761,051	(10.0)	460,796	(11.1)

	Net income per share - basic	Net income per share - diluted	Net income as a percentage of net assets excluding share subscription rights and minority interests	Ordinary income as a percentage of total assets	Operating income as a percentage of net sales
	Yen	Yen	%	%	%
FY2007	117.76	117.56	13.7	6.3	7.3
FY2006	112.33	111.71	13.9	6.4	7.4

Note 1: Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from corresponding figures for the previous period.

Note 2: Equity in earnings of affiliates: 37,217 million yen for FY2007, 20,187 million yen for FY2006

<1>-2 Results of consolidated operations for three-month period ended March 31, 2008

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2007 4th quarter	2,989,635	(16.8)	211,746	(13.7)	204,529	(8.3)	137,626	67.5
FY2006 4th quarter	3,591,421	36.2	245,229	1.9	223,087	(7.2)	82,162	(46.1)

	Net income per share - basic	Net income per share - diluted	Operating income as a percentage of net sales
	Yen	Yen	%
FY2007 4th quarter	33.70	33.70	7.1
FY2006 4th quarter	19.97	19.88	6.8

Note: Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from corresponding figures for the same quarter of previous fiscal year

<2> Consolidated financial position

	Total assets	Net assets	Net assets excluding share subscription rights and minority interests as a percentage of total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2007	11,939,482	3,849,443	29.4	860.17
FY2006	12,402,208	3,876,994	28.6	862.29

Note: Net assets excluding share subscription rights and minority interests: 3,504,964 million yen as of March 31, 2008, 3,545,237 million yen as of March 31, 2007

<3> Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2007	1,342,284	(867,623)	(307,002)	584,102
FY2006	1,042,827	(1,114,587)	106,912	469,388

## 2.Dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	at 1st quarter end	at 1st half end	at 3rd quarter end	at fiscal year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2006	-	17.00	-	17.00	34.00	150,161	30.3	4.2
FY2007	-	20.00	-	20.00	40.00	163,300	34.0	4.6
FY2008 forecast	—	—	—	—	42.00	—	50.3	—

Note : From FY2007, total cash dividends has been adjusted by the portion of dividends paid to Renault.

Total cash dividends would have been 139,656 million yen for FY2006, if the total cash dividends were adjusted by the portion of dividends paid to Renault.

## 3.Forecast of consolidated operating results for FY2008 (April 1, 2008 through March 31, 2009)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2008 1st half	—		—		—		—		—
FY2008	10,350,000	(4.4)	550,000	(30.5)	545,000	(28.9)	340,000	(29.5)	83.44

Note : Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from corresponding figures for the previous period.

Please refer to page 6 of this report with respect to assumptions and other relevant information for the above forecast.

## 4.Others

<1> Significant changes in scope of consolidation : None

<2> Changes in accounting policies

<2>-1 Changes due to changes in accounting standard : None

<2>-2 Other changes : Applicable

Note : Refer to page 17 "Accounting Changes"

<3> Number of shares issued

<3>-1 Number of shares issued at the fiscal year end (including treasury stocks) : 4,520,715,112 shares as of March 31, 2008, 4,520,715,112 shares as of March 31, 2007

<3>-2 Number of treasury shares at the fiscal year end : 445,994,555 shares as of March 31, 2008, 409,296,746 shares as of March 31, 2007

Note : Refer to page 28 "Amounts per share" for the basis of calculation of consolidated net income per share

## (Reference) Non-Consolidated Financial Results

(Amounts less than one million yen are omitted)

### Results of FY2007 (April 1, 2007 through March 31, 2008)

1 Results of non-consolidated operations for twelve-month period ended March 31, 2008

	Net sales		Operating income		Ordinary income		Net income		Net income per share - basic	Net income per share - diluted
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2007	3,923,280	8.7	148,423	(20.0)	276,821	62.9	219,855	176.6	49.92	49.84
FY2006	3,608,934	(7.4)	185,561	(27.0)	169,958	(49.6)	79,481	(67.0)	18.01	17.92

Note : Regarding net sales, operating income, ordinary income and net income, percent indications show percentage of changes from corresponding figures for the previous period.

2 Non-consolidated financial position

	Total assets	Net assets	Net assets excluding share subscription rights as a percentage of total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2007	3,936,336	1,781,612	45.2	406.04
FY2006	3,804,369	1,775,413	46.6	401.03

Note : Net assets excluding share subscription rights : 1,779,898 million yen as of March 31, 2008, 1,772,702 million yen as of March 31, 2007

## ※ Explanation regarding the appropriate use of forecasts of business results

The financial forecast is based on judgments and estimates that have made on the basis of currently available information.

By nature, such financial forecast is subject to uncertainty and risk. Therefore, you are advised that the final results might be significantly different from the aforementioned forecast due to changes in economic environments related to our business, market trends and exchange rate, etc.

## ※ Other information

Effective from the year ended March 31 2007, certain subsidiaries have changed their fiscal year end to March 31.

As a result of this change, the operating results for the 15-month period from January 1, 2006 to March 31, 2007 of those consolidated subsidiaries have been included in the consolidated financial statements for FY2006, while the operating results for the 12-month period from April 1, 2007 to March 31, 2008 of those subsidiaries have been included in the consolidated financial statements for FY2007.

## **1. BUSINESS PERFORMANCE**

### **1) FY2007 Business Performance**

#### **1. 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 pursued four major breakthroughs:

1. Establish Infiniti as a globally recognized luxury brand.
2. Build a global presence in Light Commercial Vehicles.
3. Develop new supply sources in Leading Competitive Countries for parts, machinery & equipment, vendor tooling and services.
4. Expand geographic presence in emerging markets by establishing new localized production facilities, distribution channels and sales financing companies.

The first commitment was to deliver a top-level operating profit margin. Although the operating profit margin was not as high as the company desired, Nissan continues to maintain a margin at the top level in the industry. The second commitment of 4.2 million unit sales was moved to fiscal year 2009, as previously announced last year, as a milestone in the new plan. While the result of the third commitment was below the 20% mark, Nissan's return on invested capital averaged 17% over the plan's three years, which was at the top level among global automakers.

#### **2. Fiscal Year 2007 Business Performance**

For fiscal year 2007, Nissan's global sales increased 8.2% from the previous year to 3,770,000 units, despite total industry volume declining in Japan, the U.S. and Europe. Around the world, the company introduced 11 all-new models.

In Japan, total industry volume declined 5.3%. Nissan's sales decreased 2.5% to 721,000 units, with a market share increase to 13.6%.

In the U.S., total industry volume decreased 3.5%. In contrast, Nissan's sales increased 3% to 1,059,000 units, which resulted in its highest market share of 6.7%.

In Europe, sales increased 17.9% to 636,000 units with an increase in market share to 2.9%.

In the General Overseas Markets, sales were up 22% to 1,061,000 units. Middle East sales increased 36%, to 198,000 units. Sales in China increased 26% to 458,000 units, while the market was up 22%.

For the purpose of comparison with fiscal year 2007, fiscal year 2006 excludes the one-time fifth-quarter inclusion made in 2006 to harmonize the fiscal years of overseas subsidiaries such as Europe and Mexico.

For fiscal year 2007, Nissan's consolidated net revenues increased 11.6% to 10 trillion 824.2 billion yen.

Consolidated operating profit increased 4.7% to 790.8 billion yen, compared to 755.5 billion yen in fiscal 2006. As a percentage of net revenue, operating profit margin came to 7.3%.

Net income reached 482.3 billion yen, and increased 7.4% compared to 449.2 billion yen in fiscal year 2006.

In comparison to last year's consolidated operating profit of 755.2 billion yen, which was restated by excluding the impact of harmonization in fiscal year 2006 to be consistent in subsidiaries' fiscal period from April to March with fiscal year 2007, the variance was due to the following factors:

- Purchasing-cost reductions generated a positive contribution of 172.9 billion yen.
- Price, volume and mix had a positive impact of 75.0 billion yen.
- Warranty expenses decreased by 7.6 billion yen.
- Raw material and energy costs increased by 84.7 billion yen.
- Product enrichment, including regulatory costs, had a negative impact of 52.2 billion yen.
- Selling expenses had a negative impact of 38.1 billion yen.
- General, administrative and other expenses increased by 18.0 billion yen.
- Foreign exchange rate movements resulted in a negative impact of 16.2 billion yen. This was mainly due to unfavorable movements in the U.S. dollar. The U.S. dollar rate averaged 114.4 yen compared to 117.0 yen the previous year. The Euro moved to 161.6 yen from 146.2 yen.
- Manufacturing and logistics expenses increased by 9.2 billion yen.
- The company spent an additional 1.5 billion yen on R&D.

At the close of fiscal year 2007, the company had a net cash position of 180.3 billion yen and generated free cash flow of 456.7 billion yen. The company will propose a 20-yen-per-share year-end dividend to its shareholders, giving a full-year dividend of 40 yen per share, as initially planned.

### **3. Introduction of NISSAN GT 2012**

The new plan is named NISSAN GT 2012 and emphasizes growth and trust. The length of this plan is five years, as opposed to three, and is different from previous plans.

As Nissan is now a stable, healthy company, it has the opportunity to take a long term view and align its growth strategy with its desires to contribute to the sustainable development of society. As the company grows, Nissan wants to enhance its trust with all of its stakeholders.

NISSAN GT 2012 has three corporate commitments. The first commitment is quality, which is integral for a world-class automaker and the integrity of its brands. The core of this commitment is quality leadership for the company's products, as well as its services, brand, management and the overall company. There will be no tangible difference between Nissan's position with any category leader. Nissan will accelerate quality improvement efforts in all areas.

The second commitment of NISSAN GT 2012 is for Nissan, along with Renault, to become a global leader in zero-emission vehicles. This second commitment is linked to how the world is changing and how Nissan plans to contribute to those changes. Nissan sees two prominent trends - the rapid emergence of developing markets and the recognized need for environmental solutions. Nissan will introduce an all-electric car in 2010 in the United States and Japan, and we will mass-market it globally in 2012.

The third commitment of NISSAN GT 2012 is to achieve an average of 5% revenue growth over the five years of the plan. This revenue growth will be supported by the company's product plan, which will launch 60 new models by fiscal year 2012. Two-thirds will replace existing models, and one-third will expand our global offer. A steady cadence of passenger vehicle launches is planned, in addition to the acceleration of global Light Commercial Vehicles in 2010. Currently, 21% of the world's markets are out of the company's reach because of a lack of product or geographic presence. By fiscal year 2012, Nissan will be in nearly every market and segment.

As with prior plans, the company will communicate a multi-year dividend policy to its shareholders.

Nissan is confident about its own performance, but is prudent about the challenging environment in which it competes. As a consequence, the company will propose a dividend of 42 yen per share in fiscal year 2008, 44 yen per share in fiscal year 2009 and 46 yen per share in fiscal year 2010. During fiscal year 2010, Nissan will propose the dividends for fiscal years 2011 and 2012, in order to continue its strategy of providing visibility to its shareholders.

For NISSAN GT 2012, Nissan has identified five corporate breakthroughs with the potential to produce significant results.

The first breakthrough is tied to the first commitment on quality leadership. The second breakthrough relates to the second commitment of zero emissions. Nissan will continue to work on its environmental action plan, Nissan Green Program 2010. The company will introduce clean diesel with the X-TRAIL in Japan this fall and the Maxima in the United States in 2010. Nissan's original hybrid technology will also debut in fiscal 2010.

The remaining breakthroughs support the company's commitment to revenue growth. The third breakthrough is business expansion and relates to specific strategies for Infiniti, Light Commercial Vehicles and an all-new entry car lineup.

The fourth breakthrough of NISSAN GT 2012 is market expansion, especially in India, Brazil, China and the Middle East.

A fundamental necessity to achieving NISSAN GT 2012 is cost leadership, which is the fifth breakthrough. For the past three fiscal years, increasing prices of energy and raw materials, such as oil, steel, aluminum and precious metals have resulted in a negative impact of nearly 300 billion yen on Nissan's financial performance. The company anticipates further increases. As the automotive industry has difficulties passing raw material price increases to consumers, additional cost-reduction efforts are needed to offset them. Nissan will continue to work with its suppliers and productivity improvements to maintain purchasing cost reductions in line with the highest rates achieved in the past.

The Alliance is a unique source of permanent benchmarking for every function. By systematically comparing all processes, each partner can identify progress opportunities and rapidly transform them into concrete projects. As the partnership has matured, so has its ability to become more proactive and strategic. The evidence is seen through recent decisions. In India, the Alliance is preparing the ultra-low-cost car and building a common plant in Chennai. In Morocco, the new manufacturing complex will also have an operating capacity of 400,000 units. In Russia, the Alliance is exploring opportunities with AvtoVAZ and in its zero emissions strategy, the Alliance will take first steps in mass-marketing electric vehicles together.

The Alliance is the strategic partnership that was a catalyst in Nissan's past turn-around and it continues to be the framework for the sustainable development of Nissan's future. Since 1999, Nissan has delivered results in the Alliance and the company knows that it has much more potential to realize as a global automaker and as a partner in the Alliance.

With NISSAN GT 2012, the motivating themes are growth and trust. Growth through new products, new technologies, new markets. And trust by boosting confidence in its products and services, performance, return to shareholders and role on this planet. With this plan, Nissan is making long-term commitments about things the company believes in - sustainability, mobility for all and about the environment.

Today and going forward, everything Nissan does is dedicated to enriching people's lives.

#### **4. Fiscal Year 2008 Financial Forecast**

For fiscal year 2008, Nissan's sales are forecast to reach 3.9 million units, a 3.5% increase from 2007. Growth will come from General Overseas Markets and Eastern Europe, including Russia. In fiscal year 2008, the company will launch nine all-new models globally. They are as follows:

- Teana in Russia, Japan and China in June
- Infiniti FX in the U.S. in June
- Maxima in the U.S. in June
- Qashqai+2 in Europe in September
- Bakkie successor in General Overseas Markets in October
- Mini SUV in Japan in late October
- Cube in Japan in November
- Fairlady Z in Japan in December
- Infiniti G37 Convertible in the U.S. in February 2009

The company established the following forecast based on a foreign exchange rate assumption of 100 yen per dollar.

- Net revenue is forecasted at 10.35 trillion yen
- Operating profit is estimated to be 550 billion yen
- Ordinary profit is expected to reach 545 billion yen
- Net income is forecasted at 340 billion yen.
- Capital expenditures are expected to reach 470 billion yen.
- R&D expenses are forecasted at 500 billion yen.

## 2) Financial Position

### ① Balance Sheets

#### ■ Assets

Current assets have decreased by 3.1% to 6,294.2 billion yen compared to March 31, 2007. This is mainly due to decrease of finance receivable by 322.8 billion yen, offset by increase of Cash on hand and in banks by 112.3 billion yen. Fixed asset has decreased by 4.5% to 5,645.3 billion yen compared to March 31, 2007. As a result, total assets have decreased by 3.7% to 11,939.5 billion yen compared to March 31, 2007.

#### ■ Liabilities

Current liabilities have decreased by 6.0% to 5,242.6 billion yen compared to March 31, 2007.

This is mainly due to decrease in short-term borrowings by 340.4 billion yen.

Non-current liabilities have decreased by 3.5% to 2,847.4 billion yen compared to March 31, 2007.

This is mainly due to decrease in long-term borrowings by 116.9 million yen.

As a result, total liabilities have decreased by 5.1% to 8,090.0 billion yen compared to March 31, 2007.

#### ■ Net Assets

Net assets have decreased by 0.7% to 3,849.4 billion yen compared to 3,877.0 billion yen in FY2006. This is mainly due to the changes of foreign currency translation adjustment of 332.6 billion yen and dividends paid of 151.7 billion yen, offset by net income of 482.3 billion yen.

### ② Cash Flows

Even though cash flows from financial activities have turned out to be cash outflows, cash inflows from operating activities have increased and cash out flows from investing activities have decreased, cash and cash equivalents at the end of FY2007 increased by 114.7 billion yen or 24.4% to 584.1 billion yen.

#### Operating Activities

Cash inflows from operating activities have increased by 299.5 billion yen from 1,042.8 billion yen in FY2006 to 1,342.3 billion yen in FY2007. It was mainly due to the increase in net income and decrease in tax payment.

#### Investing Activities

Cash outflows from investing activities have decreased by 247.0 billion yen from 1,114.6 billion yen in FY2006 to 867.6 billion yen in FY2007. This is mainly due to the increase in proceeds from sales of property, plant and equipment and decrease in purchase of leased vehicles.

#### Financing Activities

Cash outflows from financing activities have increased by 413.9 billion yen from cash inflows of 106.9 billion yen in FY2006 to cash outflows of 307.0 billion yen in FY2007. This is mainly due to decrease in cash inflows from short-term borrowings.

Trend of ratios related to cash flows are as below;

	FY2005	FY2006	FY2007
Leverage Ratio (%)	26.9	28.6	29.4
Leverage Ratio at Fair Value (%)	49.9	41.9	28.1
Debt to Cash Flows Ratio (Year)	6.4	4.9	3.5
Interest Coverage Ratio	7.4	7.3	8.5

( Notes ) Leverage Ratio : Net assets excluding share subscription rights and minority interests / Total assets

Leverage Ratio at fair value : Fair value of issued and outstanding stocks / Total assets

Debt to Cash Flows Ratio : Interest bearing debt / Operating cash flows

Interest Coverage Ratio : Operating cash flows / Interest paid

\* All ratios are calculated based on Consolidated Financial Statements.

\* Fair value of issued and outstanding stocks is calculated at Price of stock at fiscal year end × Number of stock issued and outstanding (excluding Treasury stock).

\* Operating cash flows represent the cash flows from operating activities stated on the Consolidated Statement of Cash Flows. Interest bearing debt represents debt stated on the Consolidated Balance Sheets for which interest is paid. Interest paid represents corresponding amount stated on the Consolidated Statement of Cash Flows.

### **3) Dividend Policy**

Nissan will continue its attractive dividend policy. For NISSAN GT 2012 we have reviewed cash flow forecast and competitor's position and obtained feed back from the investment community.

We concluded the best and most transparent way is to focus on dividend per share. For the next three years we would like to commit to per share dividend at 42 yen, 44 yen, 46 yen, respectively, from FY08 to FY10. Beyond that, we will reevaluate our dividend policy in line with future market conditions.



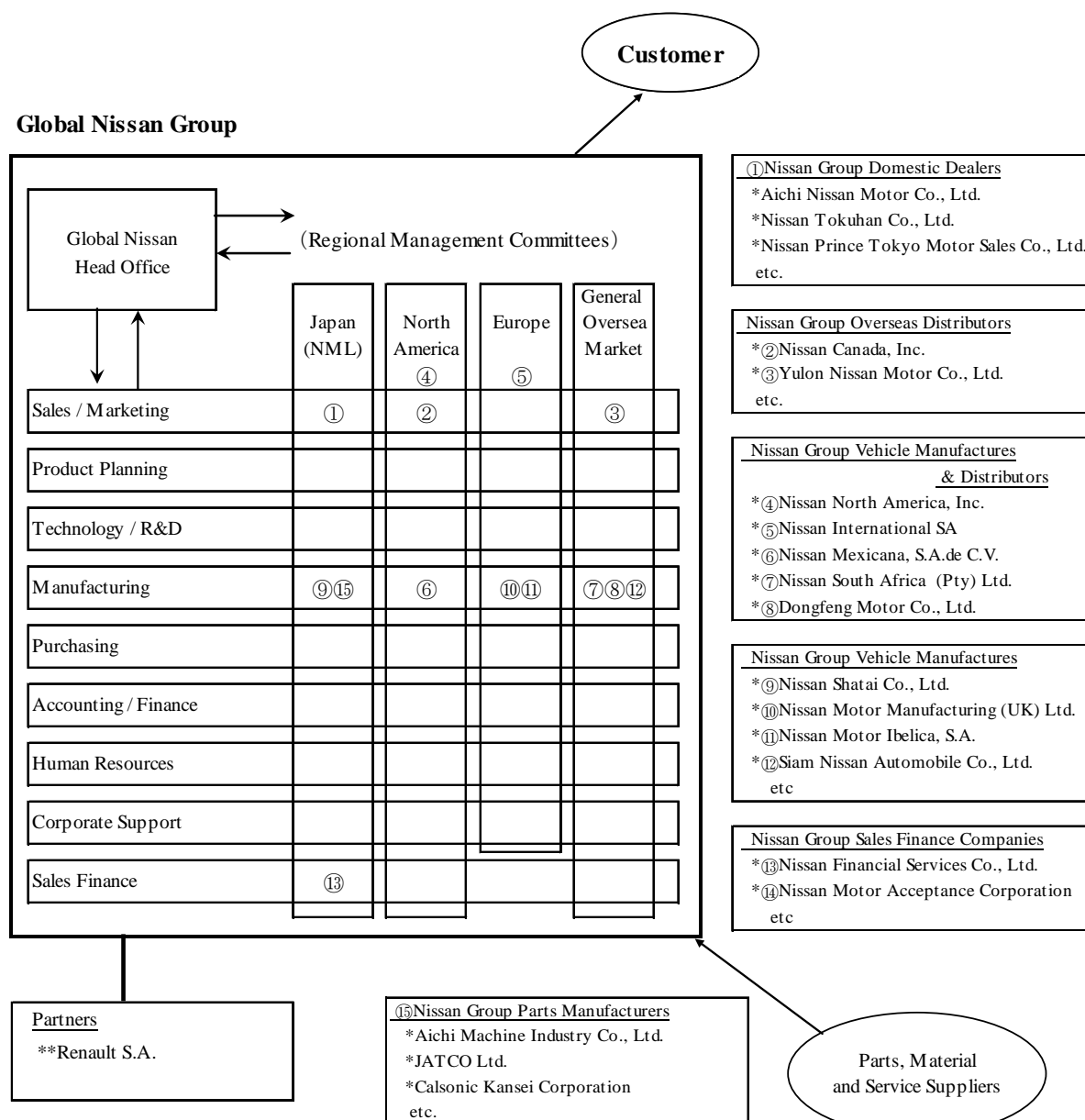
## 2. DESCRIPTION OF NISSAN GROUP

The Nissan Group (the “Group” or “Nissan”) consists of Nissan Motor Co., Ltd. (“the Company” or “NML”), subsidiaries, affiliates, and other associated companies. Its main businesses include manufacturing and sales of vehicles, forklifts, marine products and related parts. In addition, the Group provides various types of services related to the above businesses such as logistics and sales finance services.

The Group established the Global Nissan Head Office to function as its global headquarters and to monitor various operations through the Global Nissan Group which is a combination of four Regional Management Committees. The Global Nissan Group also handles cross-regional matters such as research & development, purchasing, manufacturing, and so forth.

From January 2008, Nissan International SA manages European sales and manufacturing operations.

The Group’s structure is summarized as follows:



\* Consolidated Subsidiaries

\*\* Companies accounted for by equity method

• In addition to the above companies, \*Nissan Trading Co., Ltd., \*Nissan Network Holdings Co.,Ltd. and others are included in the Group.

• Our consolidated subsidiaries listed on the domestic stock exchanges are as follows.

Nissan Shatai Co., Ltd.---Tokyo Aichi Machine Industry Co., Ltd.---Tokyo, Nagoya Calsonic Kansei Corporation---Tokyo

### 3. CONSOLIDATED FINANCIAL STATEMENTS

#### 1) Consolidated Balance Sheets

The following information has been prepared in accordance with accounting principles generally accepted in Japan. (in millions of Yen)

	as of Mar 31, 2007	as of Mar 31, 2008	Change	
			Amount	Rate
<b>[ASSETS]</b>				
<b>CURRENT ASSETS</b>	<b>6,492,886</b>	<b>6,294,224</b>	<b>(198,662)</b>	<b>(3.1%)</b>
Cash on hand and in banks	457,925	570,225	112,300	
Notes & accounts receivable	679,119	688,300	9,181	
Finance receivables	3,557,223	3,234,433	(322,790)	
Marketable securities	28,255	24,643	(3,612)	
Inventories	1,004,671	1,005,165	494	
Deferred tax assets	324,979	299,306	(25,673)	
Other current assets	440,714	472,152	31,438	
<b>FIXED ASSETS</b>	<b>5,909,322</b>	<b>5,645,258</b>	<b>(264,064)</b>	<b>(4.5%)</b>
Property, plant and equipment	4,877,188	4,626,552	(250,636)	
Intangible assets	185,313	186,346	1,033	
Investment securities	386,212	452,169	65,957	
Long-term loans receivable	26,322	24,555	(1,767)	
Deferred tax assets	157,495	94,420	(63,075)	
Other non current assets	276,792	261,216	(15,576)	
<b>TOTAL ASSETS</b>	<b>12,402,208</b>	<b>11,939,482</b>	<b>(462,726)</b>	<b>(3.7%)</b>
<b>[LIABILITIES]</b>				
<b>CURRENT LIABILITIES</b>	<b>5,575,319</b>	<b>5,242,616</b>	<b>(332,703)</b>	<b>(6.0%)</b>
Notes & accounts payable	1,103,186	1,119,430	16,244	
Short-term borrowings	3,097,411	2,757,027	(340,384)	
Lease obligations	50,421	75,554	25,133	
Accrued expenses	589,337	563,672	(25,665)	
Deferred tax liabilities	9,064	1,501	(7,563)	
Accrued warranty costs	92,279	91,151	(1,128)	
Other current liabilities	633,621	634,281	660	
<b>LONG-TERM LIABILITIES</b>	<b>2,949,895</b>	<b>2,847,423</b>	<b>(102,472)</b>	<b>(3.5%)</b>
Bonds and debentures	729,707	772,725	43,018	
Long-term borrowings	1,167,814	1,050,889	(116,925)	
Lease obligations	59,140	85,389	26,249	
Deferred tax liabilities	507,600	461,792	(45,808)	
Accrued warranty costs	130,111	112,522	(17,589)	
Accrued retirement benefits	194,494	177,485	(17,009)	
Accrued retirement benefits for directors and statutory auditors	-	3,883	3,883	
Other long-term liabilities	161,029	182,738	21,709	
<b>TOTAL LIABILITIES</b>	<b>8,525,214</b>	<b>8,090,039</b>	<b>(435,175)</b>	<b>(5.1%)</b>
<b>[NET ASSETS]</b>				
<b>SHAREHOLDERS' EQUITY</b>	<b>3,586,616</b>	<b>3,868,140</b>	<b>281,524</b>	<b>7.8%</b>
Common stock	605,814	605,814	-	
Capital surplus	804,470	804,470	-	
Retained earnings	2,402,726	2,726,859	324,133	
Treasury stock	(226,394)	(269,003)	(42,609)	
<b>VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS</b>	<b>(41,379)</b>	<b>(363,176)</b>	<b>(321,797)</b>	<b>-</b>
Unrealized holding gain on securities	5,826	5,750	(76)	
Unrealized gain and loss from hedging instruments	1,817	(8,471)	(10,288)	
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	68,923	79,417	10,494	
Land revaluation of foreign subsidiaries	5,095	6,238	1,143	
Unfunded retirement benefit obligation of foreign subsidiaries	(13,826)	(4,290)	9,536	
Translation adjustments	(109,214)	(441,820)	(332,606)	
<b>SHARE SUBSCRIPTION RIGHTS</b>	<b>2,711</b>	<b>1,714</b>	<b>(997)</b>	<b>(36.8%)</b>
<b>MINORITY INTERESTS</b>	<b>329,046</b>	<b>342,765</b>	<b>13,719</b>	<b>4.2%</b>
<b>TOTAL NET ASSETS</b>	<b>3,876,994</b>	<b>3,849,443</b>	<b>(27,551)</b>	<b>(0.7%)</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>12,402,208</b>	<b>11,939,482</b>	<b>(462,726)</b>	<b>(3.7%)</b>

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

## 2) Consolidated Statements of Income

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

The twelve-month period ended March 31

(in millions of Yen)

	FY2006	FY2007	Change	
			Amount	%
	100%	100%		
<b>NET SALES</b>	<b>10,468,583</b>	<b>10,824,238</b>	<b>355,655</b>	<b>3.4 %</b>
COST OF SALES	8,027,186	8,407,398	380,212	
	23.3%	22.3%		
Gross profit	2,441,397	2,416,840	(24,557)	(1.0) %
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,664,458	1,626,010	(38,448)	
	7.4%	7.3%		
<b>Operating income</b>	<b>776,939</b>	<b>790,830</b>	<b>13,891</b>	<b>1.8 %</b>
NON-OPERATING INCOME	65,914	81,827	15,913	
Interest and dividend income	25,546	28,205	2,659	
Equity in earnings of unconsolidated subsidiaries & affiliates	20,187	37,217	17,030	
Foreign exchange gain	5,796	-	(5,796)	
Other	14,385	16,405	2,020	
NON-OPERATING EXPENSES	81,802	106,257	24,455	
Interest expense	30,664	36,118	5,454	
Amortization of net retirement benefit obligation at transition	10,928	11,009	81	
Foreign exchange loss	-	28,991	28,991	
Other	40,210	30,139	(10,071)	
	7.3%	7.1%		
<b>Ordinary income</b>	<b>761,051</b>	<b>766,400</b>	<b>5,349</b>	<b>0.7 %</b>
SPECIAL GAINS	73,687	88,138	14,451	
SPECIAL LOSSES	137,306	86,580	(50,726)	
	6.7%	7.1%		
<b>Income before income taxes and minority interests</b>	<b>697,432</b>	<b>767,958</b>	<b>70,526</b>	<b>10.1 %</b>
INCOME TAXES—CURRENT	202,328	190,690	(11,638)	
INCOME TAXES—DEFERRED	9,834	72,018	62,184	
MINORITY INTERESTS	24,474	22,989	(1,485)	
	4.4%	4.5%		
<b>NET INCOME</b>	<b>460,796</b>	<b>482,261</b>	<b>21,465</b>	<b>4.7 %</b>

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

**The three-month period ended March 31**

(in millions of Yen)

	FY2006 fourth quarter (The three-month)	FY2007 fourth quarter (The three-month)	Change	
			Amount	%
<b>NET SALES</b>	100%	100%		
	<b>3,591,421</b>	<b>2,989,635</b>	<b>(601,786)</b>	<b>(16.8) %</b>
<b>COST OF SALES</b>	2,783,090	2,355,968	(427,122)	
	22.5%	21.2%		
Gross profit	808,331	633,667	(174,664)	(21.6) %
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	563,102	421,921	(141,181)	
	6.8%	7.1%		
<b>Operating income</b>	<b>245,229</b>	<b>211,746</b>	<b>(33,483)</b>	<b>(13.7) %</b>
<b>NON-OPERATING INCOME</b>	14,300	31,686	17,386	
Interest and dividend income	9,047	6,860	(2,187)	
Equity in earnings of unconsolidated subsidiaries & affiliates	1,412	12,246	10,834	
Other	3,841	12,580	8,739	
<b>NON-OPERATING EXPENSES</b>	36,442	38,903	2,461	
Interest expense	10,161	9,573	(588)	
Amortization of net retirement benefit obligation at transition	2,738	2,832	94	
Foreign exchange loss	2,080	19,835	17,755	
Other	21,463	6,663	(14,800)	
	6.2%	6.8%		
<b>Ordinary income</b>	<b>223,087</b>	<b>204,529</b>	<b>(18,558)</b>	<b>(8.3) %</b>
<b>SPECIAL GAINS</b>	21,719	61,501	39,782	
<b>SPECIAL LOSSES</b>	72,717	29,333	(43,384)	
	4.8%	7.9%		
<b>Income before income taxes and minority interests</b>	<b>172,089</b>	<b>236,697</b>	<b>64,608</b>	<b>37.5 %</b>
<b>INCOME TAXES</b>	80,392	87,176	6,784	
<b>MINORITY INTERESTS</b>	9,535	11,895	2,360	
	2.3%	4.6%		
<b>NET INCOME</b>	<b>82,162</b>	<b>137,626</b>	<b>55,464</b>	<b>67.5 %</b>

**3) Consolidated Statements of Changes in Net Assets**

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

As of March 31, 2007

	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 FY2006					
Cash dividends paid	-	-	(131,064)	-	(131,064)
Bonuses to directors and statutory auditors	-	-	(560)	-	(560)
Net income	-	-	460,796	-	460,796
Disposal of treasury stock	-	-	(3,477)	33,134	29,657
Purchases of treasury stock	-	-	-	(10,375)	(10,375)
Changes due to merger	-	-	361	-	361
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 changes in FY2006	-	-	285,901	22,759	308,660
Balances as of Mar. 31, 2007	605,814	804,470	2,402,726	(226,394)	3,586,616

	VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS							SHARE SUBSCRIPTION RIGHTS	MINORITY INTERESTS	TOTAL NET ASSETS
	Unrealized holding gain on securities	Unrealized gain from hedging instruments	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Land revaluation of foreign 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 FY2006										
Cash dividends paid	-	-	-	-	-	-	-	-	-	(131,064)
Bonuses to directors and statutory auditors	-	-	-	-	-	-	-	-	-	(560)
Net income	-	-	-	-	-	-	-	-	-	460,796
Disposal of treasury stock	-	-	-	-	-	-	-	-	-	29,657
Purchases of treasury stock	-	-	-	-	-	-	-	-	-	(10,375)
Changes due to merger	-	-	-	-	-	-	-	-	-	361
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)	(8,514)	1,817	68,923	5,095	(13,826)	95,099	148,594	(433)	43,153	155,650
Total changes in FY2006	(8,514)	1,817	68,923	5,095	(13,826)	95,099	148,594	(433)	43,153	499,974
Balances as of Mar. 31, 2007	5,826	1,817	68,923	5,095	(13,826)	(109,214)	(41,379)	2,711	329,046	3,876,994

(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 foreign 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

As of March 31, 2008

	SHAREHOLDERS' EQUITY				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' Equity
Balances as of Mar. 31, 2007	605,814	804,470	2,402,726	(226,394)	3,586,616
Changes in FY2007					
Cash dividends paid	-	-	(151,725)	-	(151,725)
Net income	-	-	482,261	-	482,261
Disposal of treasury stock	-	-	(6,033)	38,732	32,699
Purchases of treasury stock	-	-	-	(81,341)	(81,341)
Changes due to merger	-	-	21	-	21
Changes in the scope of consolidation	-	-	(391)	-	(391)
Net changes in items other than those in shareholders' equity	-	-	-	-	-
Total changes in FY2007	-	-	324,133	(42,609)	281,524
Balances as of Mar. 31, 2008	605,814	804,470	2,726,859	(269,003)	3,868,140

	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 foreign subsidiaries	Unfunded retirement benefit obligation of foreign subsidiaries	Translation adjustments	Total Valuation, Translation Adjustments and Others			
Balances as of Mar. 31, 2007	5,826	1,817	68,923	5,095	(13,826)	(109,214)	(41,379)	2,711	329,046	3,876,994
Changes in FY2007										
Cash dividends paid	-	-	-	-	-	-	-	-	-	(151,725)
Net income	-	-	-	-	-	-	-	-	-	482,261
Disposal of treasury stock	-	-	-	-	-	-	-	-	-	32,699
Purchases of treasury stock	-	-	-	-	-	-	-	-	-	(81,341)
Changes due to merger	-	-	-	-	-	-	-	-	-	21
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	-	(391)
Net changes in items other than those in shareholders' equity	(76)	(10,288)	10,494	1,143	9,536	(332,606)	(321,797)	(997)	13,719	(309,075)
Total changes in FY2007	(76)	(10,288)	10,494	1,143	9,536	(332,606)	(321,797)	(997)	13,719	(27,551)
Balances as of Mar. 31, 2008	5,750	(8,471)	79,417	6,238	(4,290)	(441,820)	(363,176)	1,714	342,765	3,849,443

#### 4) Consolidated Statements of Cash Flows

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

The twelve-month periods ended March 31

(in millions of Yen)

	FY2006	FY2007
<b>Operating activities</b>		
Income before income taxes and minority interests	697,432	767,958
Depreciation and amortization (fixed assets excluding leased vehicles)	441,703	463,730
Amortization (long-term prepaid expenses)	24,118	24,744
Depreciation (leased vehicles)	305,402	340,698
Impairment loss	22,673	8,878
Provision for (reversal of) doubtful receivables	9,996	(2,552)
Unrealized loss on investments	459	1,597
Interest and dividend income	(25,546)	(28,205)
Interest expense	145,547	159,285
Gain on sales of property, plant and equipment	(28,485)	(78,551)
Loss on disposal of fixed assets	25,403	21,754
Gain on sales of investment securities	(3,566)	(3,475)
Increase in trade receivables	(114,960)	(44,245)
Decrease (increase) in finance receivables	44,341	(78,851)
Increase in inventories	(88,765)	(40,581)
Increase in trade payables	54,368	103,123
Amortization of net retirement benefit obligation at transition	10,928	11,009
Retirement benefit expenses	55,438	52,260
Payments related to retirement benefits	(157,821)	(53,303)
Other	12,118	12,108
Sub-total	1,430,783	1,637,381
Interest and dividends received	24,622	27,770
Interest paid	(143,650)	(157,974)
Income taxes paid	(268,928)	(164,893)
Total	1,042,827	1,342,284
<b>Investing activities</b>		
Decrease in short-term investments	7,210	6,311
Purchases of fixed assets	(546,848)	(469,236)
Proceeds from sales of property, plant and equipment	72,308	131,183
Purchases of leased vehicles	(957,356)	(862,066)
Proceeds from sales of leased vehicles	304,912	393,418
Long-term loans made	(12,625)	(13,900)
Collection of long-term loans receivable	4,211	10,561
Purchases of investment securities	(17,117)	(35,820)
Proceeds from sales of investment securities	36,486	7,272
Purchases of subsidiaries' shares resulting in changes in the scope of consolidation	(1,391)	(16,032)
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	1,308	1,664
Other	(5,685)	(20,978)
Total	(1,114,587)	(867,623)
<b>Financing activities</b>		
Increase in short-term borrowings	492,538	25,397
Increase in long-term borrowings	969,461	834,160
Increase in bonds and debentures	123,730	236,875
Repayment of long term borrowings	(1,102,015)	(1,023,072)
Redemption of bonds and debentures	(190,515)	(101,888)
Proceeds from minority interests	260	47
Purchases of treasury stock	(10,375)	(81,341)
Proceeds from sales of treasury stock	29,087	33,203
Repayment of lease obligations	(66,775)	(72,762)
Cash dividends paid	(131,064)	(151,725)
Cash dividends paid to minority shareholders	(7,453)	(6,291)
Other	33	395
Total	106,912	(307,002)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	16,640	(52,978)
<b>Increase in cash and cash equivalents</b>	51,792	114,681
<b>Cash and cash equivalent at beginning of the period</b>	404,212	469,388
<b>Increase due to inclusion in consolidation</b>	13,384	33
<b>Cash and cash equivalent at end of the period</b>	469,388	584,102

## **5) Basis of Consolidated Financial Statements**

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

- (1) Consolidated subsidiaries ; 194 companies (Domestic 80, Overseas 114)

Subsidiaries other than the above companies were 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;     31 companies (Domestic 19, Overseas 12)  
Affiliates;                             16 companies (Domestic 15, Overseas 1)

Subsidiaries and 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

The change in the scope of consolidation and equity method compared with that during the year ended March 31, 2007 was summarized as follows:

Number of companies newly included in the scope of consolidation; 25 subsidiaries  
Number of companies excluded from the scope of consolidation; 19 subsidiaries  
Number of companies newly accounted for by the equity method; 1 company  
Number of companies ceased to be accounted for by the equity method of accounting; 1 company

The increase in the number of consolidated subsidiaries were primarily attributable to those newly established, acquired, or became material to the consolidated financial statements, and the decrease were mainly due to merger.

### **2. Fiscal Period of Consolidated Subsidiaries**

- 1) The end of FY2007 for the following consolidated subsidiaries is different from that of the Company (March 31)

December 31 year end Companies : Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd.,  
Nissan Mexicana, S.A. De C. V. and 35 other overseas subsidiaries

- 2) Nissan Mexicana, S.A. De C. V. and 12 other consolidated subsidiaries whose fiscal year end is December 31 close their books of account at March 31 for consolidation reporting purpose.  
With respect to Dongfeng Motor Co., Ltd., Yulon Nissan Motor Co., Ltd. and 23 other companies, the necessary adjustments were made in consolidation to reflect any significant transactions from January 1 to March 31.

- 3) Until March 31, 2006, since the difference between the fiscal year end of the parent company and those of 55 consolidated subsidiaries was within three months, the operating results of those subsidiaries were consolidated by using their financial statements as of the their respective fiscal year ends.

Effective from the year ended March 31, 2007, 22 consolidated subsidiaries have been consolidated by using their financial statements as of the parent fiscal year end which were prepared solely for consolidation purposes. In addition, 33 consolidated subsidiaries have also changed their fiscal year end to March 31.

As a result of this change, the operating results for the 15-month period from January 1, 2006 to March 31, 2007 of those consolidated subsidiaries have been included in the consolidated financial statements for FY2006, while the operating results for the 12-month period from April 1, 2007 to March 31, 2008 of those subsidiaries have been included in the consolidated financial statements for FY2007.



## **6) Accounting changes**

### **Accounting change for Directors' retirement benefits**

Until March 31, 2007, certain subsidiaries charged expense for retirement benefits for directors and statutory auditors to income when the general shareholders' meeting approved a resolution for those benefits. In April 2007, a new position paper was issued by the Japanese Institute of Certified Public Accountants to clarify the accounting for the retirement benefits for directors and statutory auditors. In this connection, certain subsidiaries began to record an accrual for retirement benefits for the directors and statutory auditors at the amount which would have been required to pay in accordance with their respective internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date in order to establish a sound financial position. The effect of this change was to increase selling, general and administrative expenses by 441 million yen, to decrease operating income and ordinary income by the same amount and to decrease income before income taxes and minority interests by 1,569 million yen for the year ended March 31, 2008 compared with the corresponding amounts which would have been recorded if the previous method had been followed. The effect of this change on segment information is explained in the relevant portion of these documents.

As a result of this change, effective April 1, 2007, the accrued retirement benefits for directors and statutory auditors, which had previously been recorded by certain subsidiaries and included in the accrued retirement benefits for employees until March 31, 2007, were separately disclosed in the consolidated financial statements.

## **7) Notes to Consolidated Financial Statements**

### **1. Accumulated depreciation of property, plant and equipment**

(Millions of yen)  
4,355,940

(The above amount includes depreciation of leased assets: 197,954)

### **2. Discounted notes receivables**

(Millions of yen)  
5,473

### **3. Contingent liabilities**

At March 31, 2008, 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 (142,926 for employees, 36,948 for others)	179,874
2) Commitments to provide guarantees of indebtedness of unconsolidated subsidiaries and affiliates at the request of lending banks	847
3) The outstanding balance of installment receivables sold with recourse	3,470

### **4. Research and development costs included in cost of sales and general and administrative expenses**

(Millions of yen)  
457,482

### **5. Impairment losses**

Type of assets	Asset category	Location	Millions of yen
Idle assets	Land, Buildings and Structures, Machinery, equipment, etc.	Ota-ku, Tokyo, and 65 other locations	4,274
Assets to be sold	Land, Buildings and Structures	Brandenburg, Germany, and 5 other locations	263
Assets to be disposed of	Land, Buildings and Structures, Machinery, equipment, etc.	Numazu-shi, Shizuoka, and 51 other locations	4,341

## 6. Consolidated statements of changes in net assets

(FY2007)

### 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 fiscal year
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 fiscal year
Common stock (in thousands)	409,297	70,746	34,048	445,995

(Outline of changes)

Details of the increase are as follows

Increase by purchases of treasury stock	70,692 thousand shares
Increase by purchase of the stocks less than unit	51 thousand shares
Increase in stocks held by companies accounted for by the equity method	3 thousand shares

Details of the decrease are as follows.

Decrease by having exercised new share subscription rights	33,908 thousand shares
Decrease in stocks held by companies accounted for by the equity method	140 thousand shares

### 3. Share subscription rights

Company	Description	Type of shares	Number of shares (in thousands)				Balance at the end of this fiscal year (millions of Yen)
			At the end of the prior fiscal year	Increase	Decrease	At the end of this fiscal year	
The Company	Euro-yen bonds with warrant due 2008	Common stock	33,078	-	33,078	-	-
	Subscription rights as stock options			-			1,714
Total				-			1,714

### 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 20, 2007	Common stock	69,921	17	March 31, 2007	June 21, 2007
Board of directors' meeting held on October 26, 2007	Common stock	81,804	20	September 30, 2007	November 27, 2007

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

#### (2) Dividends of which cut off date was in FY2007 and effective date will be in the next fiscal year

Type of shares	Common stock
Resources of dividends	Retained earnings
Total dividends (millions of Yen)	81,496 millions of Yen (Dividends per share : 20 Yen)
Cut off date	Mar 31, 2008
Effective date	Undetermined

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

## 7. Cash flows

Cash and cash equivalents at the end of fiscal year 2007 are reconciled to the accounts reported in the consolidated balance sheet as follows:

(as of March 31, 2008)	(Millions of yen)
Cash on hand and in banks	570,225
Time deposits with maturities of more than three months	(10,394)
Cash equivalents included in marketable securities (*)	24,271
Cash and cash equivalents	<u>584,102</u>

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

## 8. Segment information

Nissan Motor Co., Ltd. (7201)  
FY2007 Consolidated Financial Results

### 1. Business segment information

Fiscal year 2006

(in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. Net sales					
(1) Sales to third parties	9,790,484	678,099	10,468,583	—	10,468,583
(2) Inter-group sales	28,767	16,613	45,380	(45,380)	—
Total	9,819,251	694,712	10,513,963	(45,380)	10,468,583
Operating expenses	9,171,272	618,959	9,790,231	(98,587)	9,691,644
Operating income	647,979	75,753	723,732	53,207	776,939
II. DEPRECIATION AND AMORTIZATION EXPENSE, IMPAIRMENT LOSS AND CAPITAL EXPENDITURES					
TOTAL ASSETS	7,910,116	5,910,380	13,820,496	(1,418,288)	12,402,208
DEPRECIATION AND AMORTIZATION EXPENSE	447,924	323,299	771,223	-	771,223
IMPAIRMENT LOSS	22,673	-	22,673	-	22,673
CAPITAL EXPENDITURES	578,363	925,841	1,504,204	-	1,504,204

Fiscal year 2007

(in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
I. Net sales					
(1) Sales to third parties	10,070,983	753,255	10,824,238	—	10,824,238
(2) Inter-group sales	33,264	9,163	42,427	(42,427)	—
Total	10,104,247	762,418	10,866,665	(42,427)	10,824,238
Operating expenses	9,441,785	685,481	10,127,266	(93,858)	10,033,408
Operating income	662,462	76,937	739,399	51,431	790,830
II. DEPRECIATION AND AMORTIZATION EXPENSE, IMPAIRMENT LOSS AND CAPITAL EXPENDITURES					
TOTAL ASSETS	7,815,997	5,337,998	13,153,995	(1,214,513)	11,939,482
DEPRECIATION AND AMORTIZATION EXPENSE	471,565	357,607	829,172	-	829,172
IMPAIRMENT LOSS	8,878	-	8,878	-	8,878
CAPITAL EXPENDITURES	488,288	843,014	1,331,302	-	1,331,302

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, Light trucks and buses, Forklift, Parts for production, etc.

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

3. As discussed in "Accounting Changes," certain subsidiaries began to record an accrual for the retirement benefits for the directors and statutory auditors at the amount which would have been required to pay in accordance with their respective internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date. The effect of this change was to increase operating expenses in the "Automobile" segment by ¥441 million and to decrease the operating income in the "Automobile" segment by the same amount for the 12-month period ended March 31, 2008 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

The three-month period ended March 31, 2007 (in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	3,405,816	185,605	3,591,421	—	3,591,421
(2) Inter-group sales	9,678	5,186	14,864	(14,864)	—
Total	3,415,494	190,791	3,606,285	(14,864)	3,591,421
Operating expenses	3,205,688	169,412	3,375,100	(28,908)	3,346,192
Operating income	209,806	21,379	231,185	14,044	245,229

The three-month period ended March 31, 2008 (in millions of Yen)

	Automobile	Sales Financing	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	2,810,436	179,199	2,989,635	—	2,989,635
(2) Inter-group sales	8,199	2,181	10,380	(10,380)	—
Total	2,818,635	181,380	3,000,015	(10,380)	2,989,635
Operating expenses	2,640,766	157,186	2,797,952	(20,063)	2,777,889
Operating income	177,869	24,194	202,063	9,683	211,746

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, Light trucks and buses, Forklift, Parts for production, etc.

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

3. As discussed in "Accounting Changes," certain subsidiaries began to record an accrual for the retirement benefits for the directors and statutory auditors at the amount which would have been required to pay in accordance with their respective internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date. The effect of this change was to increase operating expenses in the "Automobile" segment by ¥124 million and to decrease the operating income in the "Automobile" segment by the same amount for the 3-month period ended March 31, 2008 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

## 2. Consolidated Financial Statements by Business Segment

Nissan Motor Co., Ltd. (7201)  
FY2007 Consolidated Financial Results

\* The sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), NR Finance Mexico S.A. de C.V. SOFOM E.N.R (Mexico), other 5 companies, 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 3/31/07	as of 3/31/08	Change	as of 3/31/07	as of 3/31/08	Change	as of 3/31/07	as of 3/31/08	Change
<b>Current assets</b>	2,494,573	2,674,578	180,005	3,998,313	3,619,646	(378,667)	6,492,886	6,294,224	(198,662)
Cash on hand and in banks	450,916	561,900	110,984	7,009	8,325	1,316	457,925	570,225	112,300
Notes & accounts receivable	679,087	688,104	9,017	32	196	164	679,119	688,300	9,181
Sales finance receivables	(209,718)	(136,871)	72,847	3,766,941	3,371,304	(395,637)	3,557,223	3,234,433	(322,790)
Marketable securities	25,658	23,687	(1,971)	2,597	956	(1,641)	28,255	24,643	(3,612)
Inventories	986,150	978,472	(7,678)	18,521	26,693	8,172	1,004,671	1,005,165	494
Other current assets	562,480	559,286	(3,194)	203,213	212,172	8,959	765,693	771,458	5,765
<b>Fixed assets</b>	3,997,255	3,926,906	(70,349)	1,912,067	1,718,352	(193,715)	5,909,322	5,645,258	(264,064)
Property, plant and equipment	3,097,369	3,028,503	(68,866)	1,779,819	1,598,049	(181,770)	4,877,188	4,626,552	(250,636)
Investment securities	384,337	450,776	66,439	1,875	1,393	(482)	386,212	452,169	65,957
Other non current assets	515,549	447,627	(67,922)	130,373	118,910	(11,463)	645,922	566,537	(79,385)
<b>Total assets</b>	6,491,828	6,601,484	109,656	5,910,380	5,337,998	(572,382)	12,402,208	11,939,482	(462,726)
<b>Current liabilities</b>	2,019,185	2,162,606	143,421	3,556,134	3,080,010	(476,124)	5,575,319	5,242,616	(332,703)
Notes & accounts payable	1,076,607	1,083,524	6,917	26,579	35,906	9,327	1,103,186	1,119,430	16,244
Short-term borrowings	(295,103)	(170,345)	124,758	3,392,514	2,927,372	(465,142)	3,097,411	2,757,027	(340,384)
Lease obligations	49,819	74,827	25,008	602	727	125	50,421	75,554	25,133
Other current liabilities	1,187,862	1,174,600	(13,262)	136,439	116,005	(20,434)	1,324,301	1,290,605	(33,696)
<b>Long-term liabilities</b>	1,061,127	1,053,753	(7,374)	1,888,768	1,793,670	(95,098)	2,949,895	2,847,423	(102,472)
Bonds and debentures	349,689	348,208	(1,481)	380,018	424,517	44,499	729,707	772,725	43,018
Long-term borrowings	39,863	54,903	15,040	1,127,951	995,986	(131,965)	1,167,814	1,050,889	(116,925)
Lease obligations	59,140	85,203	26,063	-	186	186	59,140	85,389	26,249
Other long-term liabilities	612,435	565,439	(46,996)	380,799	372,981	(7,818)	993,234	938,420	(54,814)
<b>Total liabilities</b>	3,080,312	3,216,359	136,047	5,444,902	4,873,680	(571,222)	8,525,214	8,090,039	(435,175)
<b>Shareholders' equity</b>	3,152,432	3,368,499	216,067	434,184	499,641	65,457	3,586,616	3,868,140	281,524
Common stock	513,167	511,543	(1,624)	92,647	94,271	1,624	605,814	605,814	-
Capital surplus	773,623	773,623	-	30,847	30,847	-	804,470	804,470	-
Retained earnings	2,092,036	2,352,336	260,300	310,690	374,523	63,833	2,402,726	2,726,859	324,133
Treasury stock	(226,394)	(269,003)	(42,609)	-	-	-	(226,394)	(269,003)	(42,609)
<b>Valuation, Translation adjustments and others</b>	(69,979)	(324,440)	(254,461)	28,600	(38,736)	(67,336)	(41,379)	(363,176)	(321,797)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	68,887	79,374	10,487	36	43	7	68,923	79,417	10,494
Translation adjustments	(137,380)	(412,364)	(274,984)	28,166	(29,456)	(57,622)	(109,214)	(441,820)	(332,606)
Other	(1,486)	8,550	10,036	398	(9,323)	(9,721)	(1,088)	(773)	315
<b>Share Subscription Rights</b>	2,711	1,714	(997)	-	-	-	2,711	1,714	(997)
<b>Minority interests</b>	326,352	339,352	13,000	2,694	3,413	719	329,046	342,765	13,719
<b>Total net assets</b>	3,411,516	3,385,125	(26,391)	465,478	464,318	(1,160)	3,876,994	3,849,443	(27,551)
<b>Total liabilities &amp; net assets</b>	6,491,828	6,601,484	109,656	5,910,380	5,337,998	(572,382)	12,402,208	11,939,482	(462,726)

Note: 1. 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.

(07/3 1,013,908 million yen, 08/3 900,614 million yen)

### ( Interest bearing debt by business segment )

(millions of Yen)

	Consolidated total								
	Automobile & eliminations			Sales Financing					
	as of 3/31/07	as of 3/31/08	Change	as of 3/31/07	as of 3/31/08	Change	as of 3/31/07	as of 3/31/08	Change
Short-term borrowings from Third Parties	693,500	688,152	(5,348)	2,403,911	2,068,875	(335,036)	3,097,411	2,757,027	(340,384)
Internal Loans to Sales Financing	(988,603)	(858,497)	130,106	988,603	858,497	(130,106)	-	-	-
Short-term borrowings (per B/S)	(295,103)	(170,345)	124,758	3,392,514	2,927,372	(465,142)	3,097,411	2,757,027	(340,384)
Bonds and debentures	349,689	348,208	(1,481)	380,018	424,517	44,499	729,707	772,725	43,018
Long-term borrowings from Third Parties	65,168	97,020	31,852	1,102,646	953,869	(148,777)	1,167,814	1,050,889	(116,925)
Internal Loans to Sales Financing	(25,305)	(42,117)	(16,812)	25,305	42,117	16,812	-	-	-
Long-term borrowings (per B/S)	39,863	54,903	15,040	1,127,951	995,986	(131,965)	1,167,814	1,050,889	(116,925)
Lease obligations	108,959	160,030	51,071	602	913	311	109,561	160,943	51,382
Internal Loans from Sales Financing	1,918	1,935	17	(1,918)	(1,935)	(17)	-	-	-
<b>Total interest bearing debt</b>	205,326	394,731	189,405	4,899,167	4,346,853	(552,314)	5,104,493	4,741,584	(362,909)
Cash and cash equivalent	459,964	574,963	114,999	9,424	9,139	(285)	469,388	584,102	114,714
<b>Net interest bearing debt</b>	(254,638)	(180,232)	74,406	4,889,743	4,337,714	(552,029)	4,635,105	4,157,482	(477,623)
Debt for Canton Plant included	94,861	43,082	(51,779)	-	-	-	94,861	43,082	(51,779)
Lease obligations included	108,959	160,030	51,071	602	913	311	109,561	160,943	51,382
<b>Net interest bearing debt (excluding those related to Canton Plant and lease obligations)</b>	(458,458)	(383,344)	75,114	4,889,141	4,336,801	(552,340)	4,430,683	3,953,457	(477,226)

## 2) Statements of income by business segment

(millions of Yen)

	Consolidated total						Consolidated total		
	Automobile & eliminations			Sales Financing			4/1/06 - 3/31/07	4/1/07 - 3/31/08	Change
	4/1/06 - 3/31/07	4/1/07 - 3/31/08	Change	4/1/06 - 3/31/07	4/1/07 - 3/31/08	Change			
<b>Net sales</b>	9,773,871	10,061,820	287,949	694,712	762,418	67,706	10,468,583	10,824,238	355,655
Cost of sales	7,498,350	7,820,372	322,022	528,836	587,026	58,190	8,027,186	8,407,398	380,212
<b>Gross profit</b>	2,275,521	2,241,448	(34,073)	165,876	175,392	9,516	2,441,397	2,416,840	(24,557)
Operating income as a percentage of net sales	7.2%	7.1%	(0.1) %	10.9%	10.1%	(0.8) %	7.4%	7.3%	(0.1) %
<b>Operating income</b>	701,186	713,893	12,707	75,753	76,937	1,184	776,939	790,830	13,891
Net financial cost	(5,664)	(8,190)	(2,526)	546	277	(269)	(5,118)	(7,913)	(2,795)
Others	(11,520)	(16,169)	(4,649)	750	(348)	(1,098)	(10,770)	(16,517)	(5,747)
<b>Ordinary income</b>	684,002	689,534	5,532	77,049	76,866	(183)	761,051	766,400	5,349
<b>Income before income taxes and minority interests</b>	621,236	691,996	70,760	76,196	75,962	(234)	697,432	767,958	70,526
<b>Net income</b>	413,529	418,524	4,995	47,267	63,737	16,470	460,796	482,261	21,465

### Net financial cost

Total	(5,664)	(8,190)	(2,526)	546	277	(269)	(5,118)	(7,913)	(2,795)
Interest on Lease obligations	(3,323)	(3,123)	200	(13)	(9)	4	(3,336)	(3,132)	204
Eliminations	(55,569)	(52,985)	2,584	-	-	-	(55,569)	(52,985)	2,584
Net financial cost by segment	53,228	47,918	(5,310)	559	286	(273)	53,787	48,204	(5,583)

## 3) Statements of cash flows by business segment

(millions of Yen)

	FY06			FY07		
	Consolidated total			Consolidated total		
	Automobile & eliminations	Sales Financing		Automobile & eliminations	Sales Financing	
<b>Operating activities</b>						
Income before income taxes and minority interests	621,236	76,196	697,432	691,996	75,962	767,958
Depreciation and amortization	447,924	323,299	771,223	471,565	357,607	829,172
Decrease (increase) in finance receivables	(22,914)	67,255	44,341	(72,550)	(6,301)	(78,851)
Others	(528,386)	58,217	(470,169)	(209,086)	33,091	(175,995)
Subtotal	517,860	524,967	1,042,827	881,925	460,359	1,342,284
<b>Investing activities</b>						
Proceeds from sales of investment securities	37,794	-	37,794	8,936	-	8,936
Proceeds from sales of property, plant and equipment	72,308	0	72,308	131,169	14	131,183
Purchases of fixed assets	(537,129)	(9,719)	(546,848)	(456,876)	(12,360)	(469,236)
Purchases of leased vehicles	(41,234)	(916,122)	(957,356)	(31,412)	(830,654)	(862,066)
Proceeds from sales of leased vehicles	7,253	297,659	304,912	3,253	390,165	393,418
Others	(35,804)	10,407	(25,397)	(80,282)	10,424	(69,858)
Subtotal	(496,812)	(617,775)	(1,114,587)	(425,212)	(442,411)	(867,623)
<b>Financing activities</b>						
Increase in short-term borrowings	418,824	73,714	492,538	20,489	4,908	25,397
Decrease or redemption of long-term debt	(215,299)	(107,770)	(323,069)	(131,805)	(158,995)	(290,800)
Increase in bonds and debentures	-	123,730	123,730	99,759	137,116	236,875
Others	(186,460)	173	(186,287)	(278,663)	189	(278,474)
Subtotal	17,065	89,847	106,912	(290,220)	(16,782)	(307,002)
Effect of exchange rate changes on cash and cash equivalents	16,775	(135)	16,640	(51,527)	(1,451)	(52,978)
Increase (decrease) in cash and cash equivalents	54,888	(3,096)	51,792	114,966	(285)	114,681
Cash and cash equivalents at beginning of period	392,505	11,707	404,212	459,964	9,424	469,388
Increase due to inclusion in consolidation	12,571	813	13,384	33	-	33
<b>Cash and cash equivalents at end of period</b>	459,964	9,424	469,388	574,963	9,139	584,102

Note: 1. Increase in short-term borrowings of Automobile & eliminations include the amounts eliminated for increase (FY06 16,522 million yen, FY07 5,747 million yen) in internal loans receivable from Sales Financing segment.

2. Increase in long-term borrowings of Automobile & eliminations include the amounts eliminated for increase (FY07 34,113 million yen) in internal loans receivable from Sales Financing segment.



### 3. Geographical segment information

Fiscal year 2006

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Net sales							
(1) Sales to third parties	2,478,549	4,550,498	2,038,026	1,401,510	10,468,583	—	10,468,583
(2) Inter-group sales	2,205,469	138,945	128,388	27,528	2,500,330	(2,500,330)	—
Total	4,684,018	4,689,443	2,166,414	1,429,038	12,968,913	(2,500,330)	10,468,583
Operating expenses	4,411,824	4,329,427	2,084,112	1,370,801	12,196,164	(2,504,520)	9,691,644
Operating income	272,194	360,016	82,302	58,237	772,749	4,190	776,939
II. TOTAL ASSETS	6,031,316	6,085,485	1,482,333	1,070,801	14,669,935	(2,267,727)	12,402,208

Fiscal year 2007

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
I. Net sales							
(1) Sales to third parties	2,507,145	4,414,509	2,157,015	1,745,569	10,824,238	—	10,824,238
(2) Inter-group sales	2,491,594	235,760	223,142	64,777	3,015,273	(3,015,273)	—
Total	4,998,739	4,650,269	2,380,157	1,810,346	13,839,511	(3,015,273)	10,824,238
Operating expenses	4,722,036	4,332,404	2,259,486	1,729,236	13,043,162	(3,009,754)	10,033,408
Operating income	276,703	317,865	120,671	81,110	796,349	(5,519)	790,830
II. TOTAL ASSETS	6,171,415	5,345,010	1,553,029	1,201,330	14,270,784	(2,331,302)	11,939,482

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 follow:

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

3. As discussed in "Accounting Changes," certain subsidiaries began to record an accrual for the retirement benefits for the directors and statutory auditors at the amount which would have been required to pay in accordance with their respective internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date. The effect of this change was to increase operating expenses in the "Japan" segment by ¥441 million and to decrease the operating income in the "Japan" segment by the same amount for the 12-month period ended March 31, 2008 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

The three-month period ended March 31, 2007

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	757,863	1,466,651	922,416	444,491	3,591,421	—	3,591,421
(2) Inter-group sales	562,809	41,830	66,394	12,120	683,153	(683,153)	—
Total	1,320,672	1,508,481	988,810	456,611	4,274,574	(683,153)	3,591,421
Operating expenses	1,265,163	1,388,450	947,045	441,778	4,042,436	(696,244)	3,346,192
Operating income	55,509	120,031	41,765	14,833	232,138	13,091	245,229

The three-month period ended March 31, 2008

(in millions of Yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	757,302	1,115,975	629,044	487,314	2,989,635	—	2,989,635
(2) Inter-group sales	646,679	67,698	52,747	25,281	792,405	(792,405)	—
Total	1,403,981	1,183,673	681,791	512,595	3,782,040	(792,405)	2,989,635
Operating expenses	1,353,467	1,107,515	626,603	490,984	3,578,569	(800,680)	2,777,889
Operating income	50,514	76,158	55,188	21,611	203,471	8,275	211,746

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 East, Central and South America excluding Mexico and South Africa

3. As discussed in "Accounting Changes," certain subsidiaries began to record an accrual for the retirement benefits for the directors and statutory auditors at the amount which would have been required to pay in accordance with their respective internal rules if those directors and statutory auditors had resigned their offices as of the balance sheet date. The effect of this change was to increase operating expenses in the "Japan" segment by ¥124 million and to decrease the operating income in the "Japan" segment by the same amount for the 3-month period ended March 31, 2008 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

#### 4. Overseas Net Sales

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

Fiscal year 2006		(in millions of Yen)			
		North America	Europe	Other foreign countries	Total
(1) Overseas net sales		4,410,531	2,023,772	1,829,617	8,263,920
(2) Consolidated net sales					10,468,583
(3) Overseas net sales as a percentage of consolidated net sales	[%]	42.1	19.3	17.5	78.9

Fiscal year 2007		(in millions of Yen)			
		North America	Europe	Other foreign countries	Total
(1) Overseas net sales		4,319,665	2,168,427	2,148,343	8,636,435
(2) Consolidated net sales					10,824,238
(3) Overseas net sales as a percentage of consolidated net sales	[%]	39.9	20.0	19.9	79.8

The three-month period ended March 31, 2007		(in millions of Yen)			
		North America	Europe	Other foreign countries	Total
(1) Overseas net sales		1,408,069	903,589	594,520	2,906,178
(2) Consolidated net sales					3,591,421
(3) Overseas net sales as a percentage of consolidated net sales	[%]	39.2	25.1	16.6	80.9

The three-month period ended March 31, 2008		(in millions of Yen)			
		North America	Europe	Other foreign countries	Total
(1) Overseas net sales		1,102,375	637,891	585,304	2,325,570
(2) Consolidated net sales					2,989,635
(3) Overseas net sales as a percentage of consolidated net sales	[%]	36.9	21.3	19.6	77.8

- 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. Major countries and 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 East, Central and South America excluding Mexico and South Africa

## 9. Amounts per share

FY2006 ( the twelve-month period)		FY2007 ( the twelve-month period)	
Net assets per share	¥862.29	Net assets per share	¥860.17
Basic net income per share	¥112.33	Basic net income per share	¥117.76
Diluted net income per share	¥111.71	Diluted net income per share	¥117.56

Note: The bases for calculation of basic and diluted net income per share are as follows:

	FY2006 (the twelve-month period)	FY2007 (the twelve-month period)
Basic net income per share		
The average number of common stock during the fiscal year (Thousand shares)	4,102,114	4,095,407
Diluted net income per share		
Increase in common stock (Thousand shares)	22,736	6,921
(Exercise of warrants (Thousands shares))	17,446	5,228
(Exercise of share subscription rights (Thousands shares))	5,290	1,693

## 10. Omitted disclosure

Disclosure of following items are omitted due to their immaterialities.

- Lease transactions
- Transaction with related parties
- Deferred tax accounting
- Securities
- Derivative transactions
- Retirement benefits
- Stock option, etc.

## **8) Production and sales**

### 1) Consolidated production volume

The twelve-month period ended March 31

(Units)

	FY2006	FY2007	Change	
			Units	%
Japan	1,191,937	1,263,333	71,396	6.0
U.S.A.	716,211	687,032	(29,179)	(4.1)
Mexico	534,841	464,257	(70,584)	(13.2)
U.K.	384,669	374,076	(10,593)	(2.8)
Spain	266,295	219,607	(46,688)	(17.5)
South Africa	55,456	43,792	(11,664)	(21.0)
Indonesia	4,765	24,530	19,765	414.8
Thailand	43,363	72,122	28,759	66.3
China	231,444	299,064	67,620	29.2
Brazil	-	8,217	8,217	-
Total	3,428,981	3,456,030	27,049	0.8

### 2) Consolidated sales volume by region

The twelve-month period ended March 31

(Units)

	FY2006	FY2007	Change	
			Units	%
Japan	716,405	684,404	(32,001)	(4.5)
North America	1,444,039	1,370,489	(73,550)	(5.1)
Europe	741,701	705,224	(36,477)	(4.9)
Others	797,602	937,650	140,048	17.6
Total	3,699,747	3,697,767	(1,980)	(0.1)

The three-month period ended March 31

(Units)

	FY2006 fourth quarter (The three-month)	FY2007 fourth quarter (The three-month)	Change	
			Units	%
Japan	230,114	224,547	(5,567)	(2.4)
North America	494,787	378,389	(116,398)	(23.5)
Europe	313,610	215,637	(97,973)	(31.2)
Others	247,841	273,271	25,430	10.3
Total	1,286,352	1,091,844	(194,508)	(15.1)

## 4. NON-CONSOLIDATED FINANCIAL STATEMENTS

### 1) Non-Consolidated Balance Sheets

The following information has been prepared in accordance with accounting principles generally accepted in Japan (in millions of Yen)

	as of	as of	Change	
	Mar 31, 2007	Mar 31, 2008	Amount	Rate
<b>[ASSETS]</b>				
<b>CURRENT ASSETS</b>	<b>1,301,528</b>	<b>1,350,930</b>	<b>49,402</b>	<b>3.8%</b>
Cash on hand and in banks	39,949	21,841	(18,107)	
Trade notes receivable	393	385	(8)	
Trade accounts receivable	286,975	297,492	10,516	
Finished products	71,682	77,937	6,255	
Raw materials	39,846	57,608	17,762	
Work in process	24,515	24,635	119	
Supplies	20,718	21,924	1,206	
Advances paid	23,693	29,818	6,124	
Prepaid expenses	23,332	23,360	28	
Deferred tax assets	108,148	68,511	(39,636)	
Short-term loans receivable	548,590	599,832	51,242	
Other accounts receivable	117,378	124,323	6,944	
Other	2,137	7,699	5,562	
Allowance for doubtful accounts	(5,832)	(4,440)	1,392	
<b>FIXED ASSETS</b>	<b>2,502,841</b>	<b>2,585,406</b>	<b>82,565</b>	<b>3.3%</b>
<b>Property, plant &amp; equipment</b>	<b>846,222</b>	<b>947,341</b>	<b>101,119</b>	
Buildings	192,856	219,304	26,448	
Structures	39,216	40,671	1,455	
Machinery & equipment	245,462	274,802	29,340	
Vehicles	25,403	26,348	945	
Tools, furniture and fixtures	132,256	191,898	59,642	
Land	139,001	137,467	(1,534)	
Construction in progress	72,026	56,847	(15,178)	
<b>Intangible assets</b>	<b>48,821</b>	<b>44,303</b>	<b>(4,518)</b>	
Software	47,630	43,154	(4,476)	
Other	1,190	1,148	(42)	
<b>Investments &amp; other assets</b>	<b>1,607,797</b>	<b>1,593,761</b>	<b>(14,035)</b>	
Investment securities	16,714	16,747	33	
Investments in subsidiaries and affiliates	1,473,858	1,501,566	27,707	
Long-term loans receivable	943	741	(201)	
Long-term prepaid expenses	20,155	28,712	8,557	
Prepaid pension cost	39,804	27,104	(12,699)	
Deferred tax assets	52,167	15,396	(36,770)	
Other	6,235	5,218	(1,017)	
Allowance for doubtful accounts	(2,082)	(1,726)	356	
<b>TOTAL ASSETS</b>	<b>3,804,369</b>	<b>3,936,336</b>	<b>131,967</b>	<b>3.5%</b>

【Non-Consolidated】

(in millions of Yen)

	as of Mar 31, 2007	as of Mar 31, 2008	Change	
			Amount	Rate
<b>[LIABILITIES]</b>				
<b>CURRENT LIABILITIES</b>	<b>1,562,599</b>	<b>1,675,003</b>	<b>112,404</b>	<b>7.2 %</b>
Trade notes payable	457	206	(251)	
Trade accounts payable	444,355	528,308	83,953	
Short-term borrowings	77,000	52,000	(25,000)	
Current portion of long-term borrowings	9,390	6,900	(2,490)	
Commercial paper	450,000	500,000	50,000	
Current maturities of bonds	82,316	100,000	17,683	
Other accounts payable	63,572	60,003	(3,568)	
Accrued expenses	281,565	237,771	(43,793)	
Income taxes payable	7,889	12,882	4,992	
Deposits received	16,670	24,647	7,977	
Employees' saving deposits	66,422	64,174	(2,247)	
Accrued warranty costs	30,842	25,318	(5,524)	
Lease obligations	26,741	59,534	32,793	
Other	5,375	3,254	(2,120)	
<b>LONG-TERM LIABILITIES</b>	<b>466,356</b>	<b>479,720</b>	<b>13,363</b>	<b>2.9 %</b>
Bonds	347,965	347,961	(3)	
Long-term borrowings	41,400	34,500	(6,900)	
Accrued warranty costs	48,213	40,364	(7,848)	
Lease obligations	27,855	49,470	21,614	
Other	922	7,424	6,501	
<b>TOTAL LIABILITIES</b>	<b>2,028,955</b>	<b>2,154,724</b>	<b>125,768</b>	<b>6.2 %</b>
<b>[NET ASSETS]</b>				
<b>SHAREHOLDERS' EQUITY</b>	<b>1,766,839</b>	<b>1,773,872</b>	<b>7,033</b>	<b>0.4 %</b>
<b>COMMON STOCK</b>	<b>605,813</b>	<b>605,813</b>	-	
<b>CAPITAL SURPLUS</b>	<b>804,470</b>	<b>804,470</b>	-	
Additional paid-in capital	804,470	804,470	-	
<b>RETAINED EARNINGS</b>	<b>467,878</b>	<b>517,613</b>	<b>49,734</b>	
Legal reserve	53,838	53,838	-	
Voluntary reserve	414,039	463,774	49,734	
Reserve for reduction of replacement cost of specified properties	69,206	84,875	15,669	
Reserve for losses on overseas investments	479	-	(479)	
Reserve for special depreciation	884	892	7	
Unappropriated retained earnings	343,469	378,006	34,537	
<b>TREASURY STOCK</b>	<b>(111,323)</b>	<b>(154,024)</b>	<b>(42,701)</b>	
<b>VALUATION, TRANSLATION ADJUSTMENTS AND OTHERS</b>	<b>5,863</b>	<b>6,026</b>	<b>162</b>	<b>2.8 %</b>
Unrealized holding gain on securities	5,863	6,026	162	
<b>SHARE SUBSCRIPTION RIGHTS</b>	<b>2,711</b>	<b>1,714</b>	<b>(996)</b>	<b>(36.8) %</b>
<b>TOTAL NET ASSETS</b>	<b>1,775,413</b>	<b>1,781,612</b>	<b>6,199</b>	<b>0.3 %</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>3,804,369</b>	<b>3,936,336</b>	<b>131,967</b>	<b>3.5 %</b>

【Non-Consolidated】

**2) Non-Consolidated Statements of Income**

The following information has been prepared in accordance with accounting principles generally accepted in Japan. (in millions of Yen)

	FY2006	FY2007	Change	
			Amount	Rate
<b>NET SALES</b>	100.0% <b>3,608,934</b>	100.0% <b>3,923,280</b>	<b>314,345</b>	<b>8.7%</b>
<b>COST OF SALES</b>	16.0% 3,030,447	13.7% 3,386,264	355,817	
Gross profit	578,487	537,016	(41,471)	<b>(7.2) %</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	392,926	388,592	(4,333)	
<b>OPERATING INCOME</b>	5.1% <b>185,561</b>	3.8% <b>148,423</b>	<b>(37,137)</b>	<b>(20.0) %</b>
<b>NON-OPERATING INCOME</b>	<b>14,249</b>	<b>175,321</b>	<b>161,072</b>	
Interest and dividend income	9,563	166,754	157,190	
Other	4,685	8,567	3,881	
<b>NON-OPERATING EXPENSES</b>	<b>29,852</b>	<b>46,923</b>	<b>17,071</b>	
Interest expense	9,227	13,183	3,955	
Amortization of net retirement benefit obligation at transition	8,054	8,054	-	
Foreign exchange loss	23	14,878	14,855	
Other	12,547	10,806	(1,740)	
<b>ORDINARY INCOME</b>	4.7% <b>169,958</b>	7.1% <b>276,821</b>	<b>106,863</b>	<b>62.9%</b>
<b>SPECIAL GAINS</b>	<b>53,043</b>	<b>50,861</b>	<b>(2,182)</b>	
Gains on sales of property, plant and equipment	8,511	46,218	37,706	
Gains on sales of investment securities	17,017	181	(16,835)	
Reversal of allowance for doubtful accounts	25,789	3,035	(22,754)	
Other	1,726	1,426	(299)	
<b>SPECIAL LOSSES</b>	<b>109,112</b>	<b>23,429</b>	<b>(85,682)</b>	
Devaluation loss on investments and receivables	52,909	235	(52,673)	
Loss on disposal of fixed assets	17,464	12,300	(5,164)	
Retirement benefits for directors and statutory auditors upon termination of the plan	-	6,533	6,533	
Impairment loss	228	27	(200)	
Other	38,510	4,333	(34,176)	
<b>INCOME BEFORE INCOME TAXES</b>	3.2% <b>113,889</b>	7.8% <b>304,253</b>	<b>190,363</b>	<b>167.1%</b>
INCOME TAXES-CURRENT	4,476	8,102	3,625	
INCOME TAXES-DEFERRED	29,931	76,295	46,364	
<b>NET INCOME</b>	2.2% <b>79,481</b>	5.6% <b>219,855</b>	<b>140,373</b>	<b>176.6%</b>



【Non-Consolidated】

The fourth quarter (January 1, 2008 through March 31, 2008)

(in millions of Yen)

	FY2006 fourth quarter ( The three-month )		FY2007 fourth quarter ( The three-month )		Change	
					Amount	Rate
<b>NET SALES</b>	100.0%	<b>987,538</b>	100.0%	<b>1,115,082</b>	<b>127,543</b>	<b>12.9 %</b>
COST OF SALES		839,066		1,002,755	163,688	
Gross profit	15.0%	148,471	10.1%	112,326	(36,144)	<b>(24.3) %</b>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		125,479		113,535	(11,944)	
<b>Operating income</b>	2.3%	<b>22,991</b>	(0.1)%	<b>(1,208)</b>	<b>(24,200)</b>	<b>(105.3) %</b>
<b>NON-OPERATING INCOME</b>		<b>3,192</b>		<b>168,908</b>	<b>165,715</b>	
Interest and dividend income		1,387		158,210	156,823	
Other		1,805		10,697	8,891	
<b>NON-OPERATING EXPENSES</b>		<b>12,555</b>		<b>23,414</b>	<b>10,858</b>	
Interest expense		2,573		3,567	994	
Amortization of net retirement benefit obligation at transition		2,013		2,013	-	
Foreign exchange loss		3,213		14,158	10,945	
Other		4,754		3,673	(1,081)	
<b>Ordinary income</b>	1.4%	<b>13,629</b>	12.9%	<b>144,284</b>	<b>130,655</b>	<b>958.7 %</b>
<b>SPECIAL GAINS</b>		<b>12,769</b>		<b>43,719</b>	<b>30,950</b>	
<b>SPECIAL LOSSES</b>		<b>43,423</b>		<b>8,409</b>	<b>(35,014)</b>	
<b>Income before income taxes</b>	(1.7)%	<b>(17,025)</b>	16.1%	<b>179,595</b>	<b>196,620</b>	-
Income taxes		(3,322)		35,935	39,257	
<b>Net income</b>	(1.4)%	<b>(13,703)</b>	12.9%	<b>143,660</b>	<b>157,363</b>	-

【Non-Consolidated】

### 3) Non-consolidated Statements 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
		Additional paid-in capital	Total Capital surplus	Legal reserve	Voluntary reserve (Note)	Total Retained earnings		
Balance as of March 31, 2006	605,813	804,470	804,470	53,838	482,326	536,165	(133,351)	1,813,097
Changes in FY2006								
Appropriations of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders								
Reserve provided	—	—	—	—	—	—	—	—
Reserve reversed	—	—	—	—	—	—	—	—
Cash dividends paid	—	—	—	—	(65,979)	(65,979)	—	(65,979)
Bonuses to directors and statutory auditors	—	—	—	—	(390)	(390)	—	(390)
Reserve provided in accordance with the tax regulations	—	—	—	—	—	—	—	—
Reserve reversed in accordance with the tax regulations	—	—	—	—	—	—	—	—
Cash dividends paid	—	—	—	—	(75,014)	(75,014)	—	(75,014)
Net income	—	—	—	—	79,481	79,481	—	79,481
Purchases of treasury stock	—	—	—	—	—	—	(10,374)	(10,374)
Disposal of treasury stock	—	—	—	—	(6,384)	(6,384)	32,402	26,018
Net changes in items other than those in shareholders' equity	-	-	-	-	-	-	-	-
Total changes in FY2006	—	—	—	—	(68,286)	(68,286)	22,028	(46,258)
Balance as of March 31, 2007	605,813	804,470	804,470	53,838	414,039	467,878	(111,323)	1,766,839

	Valuation, Translation adjustments and Others		Share subscription rights	Total Net assets
	Unrealized holding gain on securities	Total Valuation, Translation adjustments and Others		
Balance as of March 31, 2006	13,932	13,932	3,143	1,830,173
Changes in FY2006				
Appropriations of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders				
Reserve provided	-	-	-	—
Reserve reversed	-	-	-	—
Cash dividends paid	-	-	-	(65,979)
Bonuses to directors and statutory auditors	-	-	-	(390)
Reserve provided in accordance with the tax regulations	-	-	-	—
Reserve reversed in accordance with the tax regulations	-	-	-	—
Cash dividends paid	-	-	-	(75,014)
Net income	-	-	-	79,481
Purchases of treasury stock	-	-	-	(10,374)
Disposal of treasury stock	-	-	-	26,018
Net changes in items other than those in shareholders' equity	(8,069)	(8,069)	(432)	(8,501)
Total changes in FY2006	(8,069)	(8,069)	(432)	(54,760)
Balance as of March 31, 2007	5,863	5,863	2,711	1,775,413

(Note) Details 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
Balance as of March 31, 2006	77,175	1,471	687	402,990	482,326
Changes in FY2006					
Appropriations of retained earnings in accordance with a resolution approved at the annual general meeting of shareholders					
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 and statutory auditors	—	—	—	(390)	(390)
Reserve provided in accordance with the tax regulations	4,094	—	224	(4,318)	—
Reserve reversed in accordance with the tax regulations	(6,657)	(493)	(175)	7,325	—
Cash dividends paid	—	—	—	(75,014)	(75,014)
Net income	—	—	—	79,481	79,481
Purchases of treasury stock	—	—	—	—	—
Disposal of treasury stock	—	—	—	(6,384)	(6,384)
Total changes in FY2006	(7,969)	(992)	197	(59,521)	(68,286)
Balance as of March 31, 2007	69,206	479	884	343,469	414,039

【Non-Consolidated】

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

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total Shareholders' equity
		Additional paid-in capital	Total Capital surplus	Legal reserve	Voluntary reserve (Note)	Total Retained earnings		
Balance as of March 31, 2007	605,813	804,470	804,470	53,838	414,039	467,878	(111,323)	1,766,839
Changes in FY2007								
Cash dividends paid	—	—	—	—	(163,099)	(163,099)	—	(163,099)
Reserve provided in accordance with the tax regulations	—	—	—	—	—	—	—	—
Reserve reversed in accordance with the tax regulations	—	—	—	—	—	—	—	—
Net income	—	—	—	—	219,855	219,855	—	219,855
Purchases of treasury stock	—	—	—	—	—	—	(81,340)	(81,340)
Disposal of treasury stock	—	—	—	—	(7,021)	(7,021)	38,639	31,618
Net changes in items other than those in shareholders' equity	-	-	-	-	-	-	-	-
Total changes in FY2007	—	—	—	—	49,734	49,734	(42,701)	7,033
Balance as of March 31, 2008	605,813	804,470	804,470	53,838	463,774	517,613	(154,024)	1,773,872

	Valuation, Translation adjustments and Others		Share subscription rights	Total Net assets
	Unrealized holding gain on securities	Total Valuation, Translation adjustments and Others		
Balance as of March 31, 2007	5,863	5,863	2,711	1,775,413
Changes in FY2007				
Cash dividends paid	—	—	—	(163,099)
Reserve provided in accordance with the tax regulations	—	—	—	—
Reserve reversed in accordance with the tax regulations	—	—	—	—
Net income	—	—	—	219,855
Purchases of treasury stock	—	—	—	(81,340)
Disposal of treasury stock	—	—	—	31,618
Net changes in items other than those in shareholders' equity	162	162	(996)	(833)
Total changes in FY2007	162	162	(996)	6,199
Balance as of March 31, 2008	6,026	6,026	1,714	1,781,612

(Note) Details 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
Balance as of March 31, 2007	69,206	479	884	343,469	414,039
Changes in FY2007					
Cash dividends paid	—	—	—	(163,099)	(163,099)
Reserve provided in accordance with the tax regulations	21,489	—	184	(21,674)	—
Reserve reversed in accordance with the tax regulations	(5,820)	(479)	(177)	6,476	—
Net income	—	—	—	219,855	219,855
Purchases of treasury stock	—	—	—	—	—
Disposal of treasury stock	—	—	—	(7,021)	(7,021)
Total changes in FY2007	15,669	(479)	7	34,537	49,734
Balance as of March 31, 2008	84,875	—	892	378,006	463,774

【Non-Consolidated】

#### 4) Other

##### (1)VEHICLE PRODUCTION

(Units)

	FY2006	FY2007	Change		FY2006 1st Half
			Units	Rate	
Domestic	1,191,937	1,263,333	71,396	6.0%	516,608

##### (2)VEHICLE WHOLE SALES

(Units)

	FY2006	FY2007	Change		FY2006 1st Half
			Units	Rate	
<b>Passenger vehicles</b>	<b>1,102,790</b>	<b>1,196,051</b>	<b>93,261</b>	<b>8.5%</b>	<b>495,086</b>
Domestic	625,716	613,343	(12,373)	(2.0%)	280,407
Export	477,074	582,708	105,634	22.1%	214,679
<b>Commercial vehicles</b>	<b>266,162</b>	<b>257,192</b>	<b>(8,970)</b>	<b>(3.4%)</b>	<b>115,527</b>
Domestic	125,852	114,375	(11,477)	(9.1%)	54,785
Export	140,310	142,817	2,507	1.8%	60,742
<b>Total vehicle wholesales</b>	<b>1,368,952</b>	<b>1,453,243</b>	<b>84,291</b>	<b>6.2%</b>	<b>610,613</b>
Domestic	751,568	727,718	(23,850)	(3.2%)	335,192
Export	617,384	725,525	108,141	17.5%	275,421

##### (3)NET SALES

(in millions of yen)

	FY2006	FY2007	Change		FY2006 1st Half
			Amount	Rate	
<b>Vehicles</b>	<b>2,459,989</b>	<b>2,703,690</b>	<b>243,700</b>	<b>9.9%</b>	<b>1,123,953</b>
Domestic	1,126,092	1,130,081	3,988	0.4%	506,523
Export	1,333,896	1,573,608	239,711	18.0%	617,429
<b>Parts and component for overseas production</b>	<b>576,290</b>	<b>618,507</b>	<b>42,217</b>	<b>7.3%</b>	<b>324,568</b>
Domestic	-	-	-	-	-
Export	576,290	618,507	42,217	7.3%	324,568
<b>Automotive parts</b>	<b>299,417</b>	<b>304,451</b>	<b>5,034</b>	<b>1.7%</b>	<b>148,307</b>
Domestic	200,908	199,625	(1,283)	(0.6%)	94,489
Export	98,508	104,826	6,318	6.4%	53,818
<b>Other</b>	<b>219,107</b>	<b>239,899</b>	<b>20,792</b>	<b>9.5%</b>	<b>115,644</b>
Domestic	1,150	1,504	354	30.8%	472
Export	217,956	238,394	20,437	9.4%	115,171
<b>Sub total of automotive business:</b>	<b>3,554,804</b>	<b>3,866,549</b>	<b>311,744</b>	<b>8.8%</b>	<b>1,712,472</b>
Domestic	1,328,152	1,331,211	3,058	0.2%	601,484
Export	2,226,652	2,535,337	308,685	13.9%	1,110,988
<b>Forklifts equipmen</b>	<b>54,130</b>	<b>56,731</b>	<b>2,600</b>	<b>4.8%</b>	<b>27,620</b>
Domestic	20,981	21,972	990	4.7%	10,236
Export	33,148	34,759	1,610	4.9%	17,384
<b>Total net sales</b>	<b>3,608,934</b>	<b>3,923,280</b>	<b>314,345</b>	<b>8.7%</b>	<b>1,740,093</b>
Domestic	1,349,134	1,353,183	4,049	0.3%	611,721
Export	2,259,800	2,570,097	310,296	13.7%	1,128,372

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

## **5. OTHER**

### **1) Directors and statutory auditors changes**

The Company has already announced the changes in directors and statutory auditors on March 13, 2008 and April 24, 2008.

### **2) Other**

Not applicable