Financial Information as of September 30, 2001

(The contents are English translation of part of "Hanki-Houkokusho" for the year ended September 30,2001)

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Part I Information on the Company

I. Overview of the Company

1. Trends of key financial data

(1) Consolidated financial data

Fiscal year		First half 101st	First half 102nd	First half 103rd	Full year 101st	Full year 102nd
Period		From Apr. 1, 1999 to Sept. 30, 1999	From Apr. 1, 2000 to Sept. 30, 2000	From Apr. 1, 2001 to Sept. 30, 2001	Year ended Mar. 31, 2000	Year ended Mar. 31, 2001
Net sales	(Millions of yen)	–	3,018,309	2,977,543	5,977,075	6,089,620
Ordinary income (loss)	(Millions of yen)	–	130,685	160,313	△1,642	282,309
Net income (loss)	(Millions of yen)	–	172,000	230,296	△684,363	331,075
Net assets	(Millions of yen)	–	762,006	1,159,335	929,356	957,939
Total assets	(Millions of yen)	–	6,013,885	6,367,608	6,541,184	6,451,243
Net assets per share	(Yen)	–	192.46	291.75	236.71	241.07
Basic net income (loss) per share	(Yen)	–	43.45	57.95	△179.98	83.53
Diluted net income per share	(Yen)	–	43.41	54.02	–	79.45
Net assets as a percentage of total assets	(%)	–	12.7	18.2	14.2	14.8
Cash flows from operating activities	(Millions of yen)	–	△6,125	35,531	292,091	73,251
Cash flows from investing activities	(Millions of yen)	–	12,981	△139,952	△180,412	△15,585
Cash flows from financing activities	(Millions of yen)	–	△241,388	△7,050	△318,083	△263,094
Cash and cash equivalents at end of the period	(Millions of yen)	–	252,023	180,686	490,708	288,536
Employees ( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	– (–)	129,960 (9,220)	120,823 (7,251)	136,397 (5,129)	124,467 (9,366)

(Notes) 1. Net sales are presented exclusive of consumption tax.

2. In accordance with a new rule for semiannual consolidated financial statements which became effective April 1, 2000, the Company prepared semiannual consolidated financial statements for the six months ended September 30, 2000. Accordingly, no relevant data is available for the six months ended September 30, 1999.

3. Diluted consolidated net income per share for the 101st fiscal year has not been presented because a consolidated net loss was recorded for that year.

4. The number of employees for the 101st fiscal year and thereafter represents full-time employees.

(2) Non-consolidated financial data

Fiscal year		First half 101st	First half 102nd	First half 103rd	Full year 101st	Full year 102nd
Period		From Apr. 1, 1999 to Sept. 30, 1999	From Apr. 1, 2000 to Sept. 30, 2000	From Apr. 1, 2001 to Sept. 30, 2001	Year ended Mar. 31, 2000	Year ended Mar. 31, 2001
Net sales	(Millions of yen)	1,487,890	1,464,918	1,395,678	2,997,020	2,980,130
Ordinary income (loss)	(Millions of yen)	13,789	46,320	96,983	△35,850	135,693
Net income (loss)	(Millions of yen)	△524,218	97,944	184,832	△790,064	187,485
Common stock	(Millions of yen)	496,605	496,605	496,606	496,605	496,606
Number of shares in issue	(Thousands)	3,977,294	3,977,294	3,977,295	3,977,294	3,977,295
Net assets	(Millions of yen)	1,528,921	1,386,186	1,595,940	1,263,075	1,450,159
Total assets	(Millions of yen)	3,651,936	3,546,346	3,517,938	3,563,853	3,576,466
Net assets per share	(Yen)	384.41	348.52	401.26	317.57	364.61
Basic net income (loss) per share	(Yen)	△140.42	24.63	46.47	△204.93	47.14
Diluted net income per share	(Yen)	–	24.61	43.32	–	44.85
Cash dividends per share	(Yen)	0	0	0	0	7
Net assets as a percentage of total assets	(%)	41.9	39.1	45.4	35.4	40.5
Employees ( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	35,106 (–)	31,473 (87)	30,499 (153)	32,707 (176)	30,747 (138)

(Notes) 1. Net sales are presented exclusive of consumption tax.

2. Diluted non-consolidated net income per share for the 101st fiscal year and for the six months ended September 30, 1999 has not been presented because a non-consolidated net loss was recorded for those periods.

3. The number of employees for the 101st fiscal year and thereafter represents full-time employees.

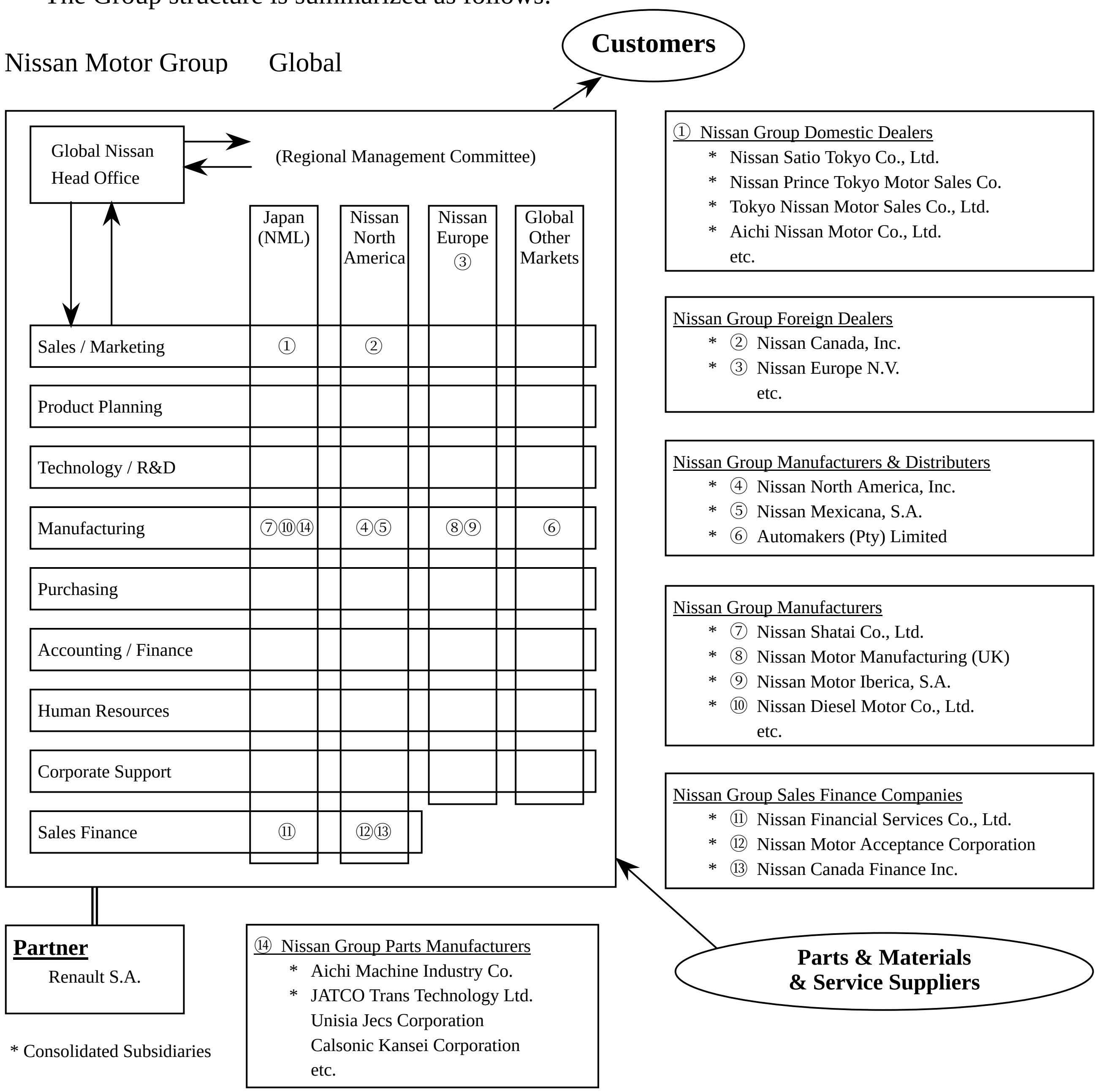
2. Description of Business

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

The Group established the Global Nissan Group (GNX) 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. GNX also handles cross-regional matters such as Research & Development, Purchasing, Manufacturing, and so forth.

The Group structure is summarized as follows:

Nissan Motor Group Global



- Other associated companies are: *Nissan Trading Co., Ltd. and *Nissan Real Estate Development Co., Ltd.
- Our subsidiaries listed on stock exchanges are as follows:
  Nissan Shatai Co., Ltd. -- Tokyo, Osaka   Aichi Machine Industry Co., Ltd. -- Tokyo, Osaka, Nagoya

3. Information on subsidiaries and affiliates

(1) The following companies have been excluded from the scope of consolidation for the six months ended September 30, 2001:

Some of the shares of Tennex Corporation, which is primarily engaged in manufacturing and selling automotive parts, were transferred to Marle Filter System GmbH on April 20, 2001. In addition, Tennex Corporation issued new shares on August 24, 2001 by private placement. As a result, the percentage of ownership by the Group decreased and Tennex Corporation has been excluded from the scope of consolidation.

All shares of Nissan Transport Co., Ltd., which is engaged in transporting vehicles in Japan, were transferred to management of Nissan Transport Co., Ltd., AIG Japan Partners Inc. and Tokio Marine Capital Co., Ltd. on May 8, 2001. As a result, Nissan Transport Co., Ltd. has been excluded from the scope of consolidation.

(2) Mergers during the six months ended September 30, 2001 were as follows:

Name of company	Address	Capital (Millions of yen)	Description of principal business	Percentage of voting rights held by NML		Relationship					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	Indirect holdings	Transferred	Concurrent	Dispatched			
Tokyo Nissan Motor Sales Co., Ltd.	Ota-ku, Tokyo	3,400	Selling automobiles and parts	100.00	–	2	2	1	None	Purchasing automobiles from NML	Leasing of certain facilities for employees

(Note) Tokyo Nissan Motor Sales Co., Ltd. merged with Seibu Nissan Sales Co., Ltd. (a consolidated subsidiary) and changed its capitalization.

4. Employees

(1) Consolidated companies

(As of September 30, 2001)

Geographical segment	Number of employees
Japan	84,272 (5,222)
The United States	10,648 (82)
Mexico	9,536 (308)
Europe	12,824 (1,396)
Other foreign countries	3,543 (243)
Total	120,823 (7,251)

(Note) The above figures represent full-time employees. The figures in parentheses represent part-time employees as of September 30, 2001 not included in the number of full-time employees.

(2) The Company

(As of September 30, 2001)

Number of employees	30,499 (153)

(Note) The above figure represents full-time employees. The figure in parentheses represents part-time employees as of September 30, 2001 not included in the number of full-time employees.

(3) Labor unions

There is nothing to be mentioned concerning the relationship between the Group and its labor unions.

II. Business Overview

1. Overview of business results

(1) Operating results

Although net sales for the six months ended September 30, 2001 decreased by ¥40.8 billion, or 1.4%, to ¥2,977.5 billion from those of same period of the prior year, operating income for the six months ended September 30, 2001 amounted to ¥188.8 billion, an increase of ¥54.4 billion, or 40.5%, over the corresponding amount for the same period of the prior year. This was the highest record for the Group. As a result, operating profit as a percentage of net sales for the six months ended September 30, 2001 improved to 6.3%, from 4.5%. This is attributable to the speedy and strong implementation of the Nissan Revival Plan.

Non-operating net expenses for the six months ended September 30, 2001 amounted to ¥28.5 billion, an increase of ¥24.8 billion over that of the same period of the prior year. This is primarily due to the fact that, effective April 1, 2001, the Group recorded a gain on sales of securities as a special gain, which until the year ended March 31, 2001 had been recorded as non-operating income, in accordance with a new accounting standard for financial instruments in spite of the significant decrease in net interest expense resulting from the reduction of interest-bearing debt in the automobile business. As a result, ordinary income for the six months ended September 30, 2001 increased by ¥29.6 billion, or 22.7%, to ¥160.3 billion over the corresponding amount for the same period of the prior year. Net special gain for the six months period ended September 30, 2001 amounted to ¥5.1 billion. Finally, interest before income taxes and minority interests and net income for the six months ended September 30, 2001 decreased by ¥8.1 billion, or 4.7%, to ¥165.4 billion and increased by ¥58.3 billion, or 33.9%, to ¥230.3 billion, respectively, over the amounts recorded for the same period of the prior year.

The operating results by business segment are summarized as follows:

a. Automobiles

The worldwide number of the Group’s automobiles sold (on a retail basis) for the six months ended September 30, 2001 decreased by 51 thousand units, or 3.8%, to 1,286 thousand units from the figures recorded for the same period of the prior year. The number of cars sold increased by 2.1% to 342 thousand units in Japan, decreased by 12.7% to 378 thousand units in North America (The United States and Canada), decreased by 5.5% to 273 thousand units in Europe, and increased by 4.6% to 293 thousand units in other foreign countries for the six months ended September 30, 2001.

Net sales in the automobile segment (including inter-segment sales) for the six months ended September 30, 2001 decreased by ¥61.8 billion, or 2.1%, to ¥2,835.2 billion from those of the same period of the prior year.

Operating income for the six months ended September 30, 2001 increased by ¥57.6 billion, or 57.5%, to ¥157.8 billion over that of the same period of the prior year. This is primarily attributable to the reduction in purchase costs as well as to favorable changes in foreign currency exchange rates, which were partially offset by the decrease in the number of cars sold and the increase in expenditures to enrich the product lines and to comply with various regulations on a worldwide basis.

b. Sales Finance

Net sales (including inter-segment sales) and operating income of the sales finance segment for the six months ended September 30, 2001 amounted to ¥175.7 billion and ¥21.6 billion, respectively.

The operating results by geographic segment are summarized as follows:

a. Japan

- Net sales (including inter-segment sales) for the six months ended September 30, 2001 decreased by ¥40.1 billion, or 2.2%, to ¥1,814.5 billion from those of the same period of the prior year.
- Operating income for the six months ended September 30, 2001 increased by ¥69.4 billion, or 118.0%, to ¥128.2 billion over that of the same period of the prior year primarily due to the reduction in purchase costs as well as to favorable changes in foreign currency exchange rates.

b. North America

- Net sales (including inter-segment sales) for the six months ended September 30, 2001 decreased by ¥5.2 billion, or 0.4%, to ¥1,230.5 billion from those of the same period of the prior year.
- Operating income for the six months ended September 30, 2001 decreased by ¥17.9 billion, or 18.7%, to ¥77.4 billion from that of the same period of the prior year primarily due to the decrease in the number of cars sold and to the increase in selling expenses.

c. Europe

- Net sales (including inter-segment sales) for the six months ended September 30, 2001 decreased by ¥14.6 billion, or 3.2%, to ¥444.6 billion from those of the same period of the prior year.
- Operating loss for the six months ended September 30, 2001 decreased by ¥10.7 billion, to ¥4.6 billion, from that of the same period of the prior year primarily due to a decrease in selling expenses as well as to favorable changes in foreign currency exchange rates.

d. Other Foreign Countries

- Net sales (including inter-segment sales) for the six months ended September 30, 2001 increased by ¥37.9 billion, or 29.7%, to ¥165.3 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2001 increased by ¥0.9 billion, or 68.2%, to ¥2.3 billion over that of the same period of the prior year primarily due to the increase in the number of automobiles sold.

(Current Status of Nissan Revival Plan)

1. New products

During the first stage of the NRP it was necessary to strengthen the Group's financial position rapidly in order to fuel sustainable growth. Today, the majority of the restructuring measures have been implemented and have resulted in a cash surplus which is available for new investments. We also have a plan to enrich certain products which are on the verge of delivering their full potential beginning in 2002.

Under the NRP, 22 all-new cars were developed or are currently being developed. Four were launched last year and four have already been launched during fiscal year 2001. The "March" model, which is a strategic product for the Group, is being launched in February 2002. We believe that the Group will become a crucial player by launching the March in the entry-level market, which is one of the very important segments for the Group.

We are planning to launch six brand new products next year in Japan. These will include a new mini-car and the brand new "Cube."

In the United States, we will launch three new models through Nissan channels including the much-awaited "Z car" in August 2002, a brand new SUV, and the "Maxima." In the "Infiniti" series, we are planning to complete the renewal of our entire product line by the end of fiscal year 2002, launching four new products including the "G35" in March 2002.

In Europe, the brand new "Primera" goes on sale in March 2002. We will also introduce two new light commercial vehicles manufactured by Renault and then in 2003, the new "Micra" is scheduled to be launched.

In other foreign countries, we have seven strategic regional launches of brand new cars scheduled including a model based on the Renault "Clio" which is to be manufactured and sold by the Group under the Nissan name in the Mexican market.

On a worldwide basis, the Group will have 22 launch events in fiscal year 2002, more than ever before in the history of the Company.

2. Investments

In the United States, the construction of a new plant is in progress in Canton, Mississippi to give us the additional capacity to accommodate our expanding product line-up. A full size pickup truck, an SUV, and a new minivan will be manufactured in this plant beginning in 2003.

3. Reallocation of resources

The most important factor having the biggest impact on the Group's profitability continues to be purchasing. We are still maintaining our pace of purchasing cost reductions during the current fiscal year and it is expected that cumulative purchasing cost reductions will exceed 18% by the end of the fiscal year 2001.

Our domestic manufacturing facilities have been consolidated into four plants and are manufacturing vehicles using 15 platforms. As a result of the plant consolidation, the overall average plant utilization ratio has significantly improved to more than 74%, from the 51.1% observed in the pre-NRP period.

The average research and development costs per vehicle project have been reduced by more than 25% from that at the beginning of the NRP as a result of various efforts to improve efficiency.

We have also taken action swiftly in restructuring our domestic dealership network. We have already closed 335 outlets and transferred 12 of the 18 dealers, which are planned to be sold to third parties.

The total worldwide headcount at the end of the first half of the fiscal year 2001 came to 128,074 and was thus very close to the 127,000 level which was expected at the end of the NRP period.

The Group sold assets of approximately ¥84 billion during the first half of fiscal year 2001. The cumulative amount of assets sold to date has reached 85% of the number originally planed two years ago and our debt has been reduced as well. We are maintaining our policy to concentrate our resources on our core automotive business.

(Progress of the Alliance)

Everything we have done from the beginning of the Alliance between Nissan and Renault is about enhancing performance. This is a key principle and, in the final analysis, the only reason why the Alliance exists.

Nissan is significantly ahead of the commitments made when we announced the NRP. Nissan has now returned to profitability and our net automotive indebtedness has been slashed from ¥2.1 trillion at the beginning of the announcement of the NRP, to ¥799 billion as of the end of the first half of fiscal year 2001. We expect such indebtedness to shrink to less than ¥750 billion by the end of fiscal year 2001.

The success of the NRP is making it possible for the Alliance to take yet another step forward. On October 30, 2001, Nissan and Renault announced a proposal for Renault to increase its stake in Nissan to 44.4%, from 36.8%, and for Nissan to take a 15% stake in Renault through a private share placement. Cross-shareholding between Nissan and Renault was written into the constitution of the Alliance in 1999 as one means of creating a balanced partnership.

Additionally, under the proposal, the Global Alliance Committee will be replaced by a joint strategic management structure, Renault-Nissan BV (RNBV). RNBV will provide stronger strategic input to better link mid- and long-term strategies, manage joint companies and make appropriate decisions and arbitrages for the Alliance.

This new stage which we are entering will require focus and more time must be spent on determining strategy and setting our direction. To extract more performance from the Alliance we will have to work on all of these aspects at the same time and ensure that we miss no opportunities.

Maintaining clear and distinct identities, not only for the two brands, but also for each corporation as a whole is also one of our core Alliance principles. Identity is the basis of the motivation and corporate pride of the employees of the two companies.

(2) Cash flows

Cash and cash equivalents at September 30, 2001 decreased by ¥107.9 billion, or 37.4%, to ¥180.7 billion from the balance at March 31, 2001. This is mainly attributable to the repayment of loans payable related to the automobile business and to an increase in sales finance receivables from our sales finance subsidiaries. This decrease was partially offset by income before income taxes and minority interests of ¥165.4 billion, and an increase in proceeds from sales of property, plant and equipment and investments in securities, as well as in finance receivable of our sales finance subsidiaries.

(Cash flows from operating activities)

Cash flows provided by operating activities for the six months ended September 30, 2001 increased by ¥41.6 billion to ¥35.5 billion over those (¥6.1 billion) used in operating activities for the same period of the prior year. This reflects the increase in sales finance receivables from our sales finance subsidiaries, as well as the decrease in trade receivables and inventories in the automobile business and certain other factors.

(Cash flows from investing activities)

Cash flows used in investing activities for the six months ended September 30, 2001 increased by ¥153.0 billion to ¥140.0 billion over those (¥13.0 billion) provided by investing activities for the same period of the prior year. This increase is primarily due to an increase in the acquisition of fixed assets and decreases in proceeds from sales of property, plant and equipment, investments in securities, and others.

(Cash flows from financing activities)

Cash flows used in financing activities for the six months ended September 30, 2001 decreased by ¥234.3 billion or 97.1% to ¥7.1 billion from those (¥241.4 billion) used in financing activities for the same period of the prior year. This is mainly attributable to the increase in loans payable of the sales finance subsidiaries despite the overall reduction of debt in the automobile business.

2. Production, orders received and sales

(1) Actual production

Location of manufacturers	Number of vehicles produced during the six months ended September 30, 2001 (Units)	Changes compared to the same period of the prior year (%)
Japan	606,620	△8.2
The United States	156,427	△16.2
Mexico	160,616	14.8
The United Kingdom	164,880	△1.1
Spain	84,466	42.2
South Africa	14,390	△14.8
Total	1,187,399	△3.5

(Notes) 1. The figures represent vehicles produced for the six months ended September 30, 2001 with respect to Japan and the United States. Those with respect to the other four countries are for the six months ended June 30, 2001.

2. The above figures do not include forklifts.

(2) Orders received

The information regarding orders received has been omitted as the order production of the Group is immaterial.

(3) Actual sales

Sales to:	Number of vehicles sold during the six months ended September 30, 2001 (Units)	Changes compared to the same period of the prior year (%)
Japan	333,945	△2.0
North America	440,829	△14.3
Europe	253,532	△7.4
Other foreign countries	172,991	9.6
Total	1,201,297	△6.7

(Notes) 1. The figures represent vehicles sold for the six months ended September 30, 2001 with respect to Japan and North America (excluding Mexico). Those with respect to Mexico, Europe and other foreign countries are for the six months ended June 30, 2001.

2. The above figures do not include forklifts.

3. Issues and outlook for the fiscal year ahead

There have been no significant changes in issues or in outlook during the six months ended September 30, 2001.

4. Important business contracts

No important new business contracts were entered into during the six months ended September 30, 2001.

5. Research and development activities

(1) Basic policies for research and development activities

The Group has been conducting research and development activities aiming to create competitive products and technologies by strengthening and making maximum use of our research and development capabilities.

The Nissan Revival Plan includes the following four specific activities:

① The Nissan Technical Center manages worldwide research and development activities, centralizing our organization at the global level.

② The Nissan Group endeavors to reduce purchase costs in cooperation with the parts manufacturers.

③ The Nissan Group concentrates its resources on the development of core technology and on improving the productivity of its development activities.

④ The Nissan Group first improves the efficiency of its development activities and then establishes a first-rate development organization through joint development and joint projects involving advanced technologies and by sharing engines and platforms with Renault.

(2) Description of research and development activities and related costs

Research and development costs of the Group amounted to ¥104.5 billion for the six months ended September 30, 2001.

The average research and development cost per vehicle project have been reduced by more than 25% from that at the beginning of the NRP as a result of continuous efforts to improve efficiency.

The Nissan Group’s domestic research and development organization and its results are summarized as follows. The organization includes the Nissan Technical Center (Atsugi-shi, Kanagawa) which takes a leading part in planning, designing and developing new products, the Nissan Research Center (Yokosuka-shi, Kanagawa) which conducts fundamental and application research activities, and several proving grounds in Hokkaido, Tochigi and Kanagawa.

Our major subsidiaries and affiliates also conduct research and development activities. Nissan Shatai Co., Ltd. and Nissan Diesel Motor Co., Ltd. are in charge of the development of certain models of passenger cars and commercial vehicles, and Nissan Diesel Motor Co., Ltd. is also in charge of the development of certain units. Aichi Machine Industry Co., Ltd., Nissan Kohki Co., Ltd. and JATCO TransTechnology Ltd. are in charge of the development of certain engines and transmissions.

The research and development activities conducted in Japan have resulted in full model changes for the “Caravan” and the “Skyline” and in minor changes to the “Liberty,” the “Presage,” and the “Basara.”

With respect to parts, Group companies have attempted to share parts and to reduce the number of parts used in order to eventually reduce manufacturing costs. Group companies have also developed many new products and systems.

In the United States, on the other hand, the Nissan Group operates the Nissan Technical Center North America, Inc. which plans and designs vehicles, and the Nissan Design America, Inc., which designs vehicles. They are jointly developing the “Altima,” the “Sentra,” the “Frontier” (the “Datsun” in Japan) and the “Xterra.”

In Europe, the Nissan Technical Center Europe Ltd., which has operations in the United Kingdom, Belgium and Spain, is developing the “Primera” made in Europe, the “Micra” (the “March” in Japan), and the “Terrano II,” a small four-wheel-drive vehicle made in Europe. Nissan Design Europe Ltd. in Germany was established as a base for planning and designing vehicles to strengthen our capability in designing.

In addition, Nissan and Renault, the partner in our business Alliance since fiscal year 1999, are proceeding jointly to unify their platforms and powertrains and to develop advanced technologies and research technologies so that both companies can dramatically improve their research and development capabilities.

The Nissan Group has continued to make a comprehensive effort to protect the global environment by developing technologies to reduce the production of carbon dioxide, to clean the exhaust fumes emitted by vehicles and to recycle resources. For cleaning the exhaust fumes, the Bluebird Silphy, which emits fumes as clean as air, was awarded the R&D Award given by the Society of Automotive Engineers of Japan and the Japan Society of Mechanical Engineers Award for New Technology because its advanced zero emission technology was highly recognized. In North America, the Group has launched the new “Altima” which has been certified as an “Ultra low emission vehicle” by the State of California and has aggressively been developing and launching low emission vehicles aiming for clean exhaust fumes. In addition, the Group has been developing fuel cell vehicles for practical use. In this connection, Nissan is participating in the California Fuel Cell Partnership and has started running tests on public roads using the “Xterra FCV,” a fuel cell vehicle fueled by high pressure hydrogen.

Nissan has been developing vehicles under its policy of “Pursuing Real World Safety” in order to reduce accidents resulting in death or severe injury by half by investigating and analyzing various types of accidents which actually occurred. The “New Skyline” is equipped with an “FM package” which can effectively absorb the energy of a crash and protect the passengers from the impact caused by the crash. Various new technologies such as structures to drop engines and break propeller shafts on impact and an active sheet cushion, a technology used for the first time in the world, have been implemented in the “New Skyline.”

The Nissan Group will continue to be actively involved in research and development activities to manufacture competitive products and to create advanced technologies for the future.

III. Property, Plant and Equipment

1. Major property, plant and equipment

The changes in major property, plant and equipment of the Group (the Company and its consolidated subsidiaries) for the six months ended September 30, 2001 are summarized as follows:

(1) The Company

There were no significant changes in major property, plant and equipment for the six months ended September 30, 2001.

(2) Domestic subsidiaries

Property, plant and equipment of ¥2,317 million was disposed of at the Minato Plant of Aichi Machine Industry Co., Ltd. based on the disposal plan for automobile manufacturing facilities as of March 31, 2001. Except for the above, there were no significant changes in major property, plant and equipment for the six months ended September 30, 2001.

(3) Foreign subsidiaries

There were no significant changes in major property, plant and equipment for the six months ended September 30, 2001.

Major leased assets

For the six months ended September 30, 2001, Nissan Used Car Center Co., Ltd. leased certain buildings and land (49,946 square meters) from Builnet Co., Ltd. for a monthly rent of ¥22,897 thousand.

Information by business segment

Effective April 1, 2001 the Group disclosed information on its sales finance business separately from its automobile business. (See Section V, "Financial Information.") Major property, plant and equipment used in the sales finance business is summarized as follows:

Name of business segment	Net book value						Number of employees
	Land		Building & structures (Millions of yen)	Machinery, equipment & vehicles (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
	Area (m^2)	Amount (Millions of yen)					
Sales finance business	61,431	1,352	1,290	669,815	4,728	677,185	2,022 (1,238)

(Notes) 1. There were no significant idle assets.

2. The above figure represents full-time employees. The figure in parentheses represents part-time employees as of September 30, 2001 not included in the number of full-time employees.

2. Plans for new additions or disposals

(1) New additions and renovations

For the six months ended September 30, 2001, there were no significant changes in the plans for new additions and renovations decided as of March 31, 2001.

(2) Sales and disposals

As explained in Section 1, “Major property, plant and equipment,” (2) “Domestic subsidiaries,” the disposal plan for the automobile manufacturing facilities at the Minato Plant of Aichi Machine Industry Co., Ltd. was completed during the six months ended September 30, 2001. There were no significant changes in other sales or disposal plans.

IV. Corporate Information

1. Information on the Company's stock

(1) Number of shares, etc.

1. Number of shares

Type of stock	Authorized number of shares
Common stock	6,000,000,000
Total	6,000,000,000

2. Number of shares issued

Type of stock	Number of shares issued as of September 30, 2001	Number of shares issued as of December 20, 2001 (filing date for the securities report)	Stock exchanges on which the Company is listed
Common stock	3,977,295,210	3,977,295,210	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo and Frankfurt
Total	3,977,295,210	3,977,295,210	–

(Notes)
1. All shares issued are with voting rights.
2. The number of issued shares as of the filing date does not include those issued upon the conversion of convertible bonds or the exercise of warrants for the period from December 1, 2001 through the filing date of this report.
3. The Company is listed on the First Section of the Tokyo, Osaka and Nagoya Stock Exchanges.

(2) Information on the total number of shares issued and paid-in capital

Period	Change in number of shares issued (Thousands)	Balance of number of shares issued (Thousands)	Change in common stock (Thousands of yen)	Balance of common stock (Thousands of yen)	Change in additional paid-in capital (Thousands of yen)	Balance of additional paid-in capital (Thousands of yen)
From April 1, 2001 To September 30, 2001	0	3,977,295	0	496,606,242	0	690,262,584

(Note) There were no changes in the balance of convertible bonds, the conversion price, the amount to be allocated to common stock upon the conversion of convertible bonds, the balance of warrants, the price of new shares issued and the amount to be allocated to common stock upon the exercise of warrants either for the six months ended September 30, 2001 or for the eight months ended November 30, 2001.

(3) Principal shareholders

(As of September 30, 2001)

Name	Address	Number of shares held (thousands)	Ratio (%)
Renault (Standing agent: Bank of Tokyo-Mitsubishi)	13/15 Quai Le Gorot, 92100 Boulogne Billancourt Cedex, France (2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	1,464,250	36.82
Japan Trustee Services Bank Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	102,593	2.58
The State Street Bank & Trust Company (Standing agent: Fuji Bank)	225 Franklin Street, Boston, Massachusetts U.S.A. (6-7 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)	99,989	2.51
The Dai-ichi Mutual Life Insurance Company (Standing agent: Asset Management Service Trust & Banking Co., Ltd.)	1-13-1 Yurakucho, Chiyoda-ku, Tokyo (1-2-1 Yaesu, Chuo-ku, Tokyo)	95,957	2.41
The Mitsubishi Trust and Banking Corporation (Trust account)	2-11-1 Nagatacho, Chiyoda-ku, Tokyo	90,621	2.28
Nippon Life Insurance Company	1-2-2 Yurakucho, Chiyoda-ku, Tokyo	80,505	2.02
The Chase Manhattan Bank N.A. London S.L. Omnibus Account (Standing agent: Fuji Bank)	Woolgate House, Coleman Street, London, UK (6-7 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)	66,676	1.68
The Toyo Trust & Banking Co., Ltd. (Trust account A)	1-4-3 Marunouchi, Chiyoda-ku, Tokyo	61,022	1.53
Bankers Trust Company, Client Lending Account (Standing agent: Sumitomo Mitsui Bank)	34 Exchange Place, Jersey City, New Jersey 07302, U.S.A. (1-3-2 Marunouchi, Chiyoda-ku, Tokyo)	57,036	1.43
The Chase Manhattan Bank N.A. London (Standing agent: Fuji Bank)	Woolgate House, Coleman Street, London, UK (6-7 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo)	50,586	1.27
Total	–	2,169,236	54.54

(4) Voting rights

1. Shares issued

(As of September 30, 2001)

Number of shares without voting rights (Shares)	Number of shares with voting rights (Treasury stock, etc.) (Shares)	Number of shares with voting rights (Others) (Shares)	Shares under 1 unit (Shares)
–	14,971,000	3,951,261,000	11,063,210

(Notes)
1. Included in "Number of shares with voting rights (others)" are 253 thousand shares held under the names of the custodians.
2. Shares under 1 unit include 162 shares of treasury stock, 6,230 crossholding shares and 10,114 shares held under the names of the custodians.
3. Although the disclosure format has been revised in accordance with the new regulation for the disclosure of treasury stock, we have not followed this new format because the new regulation became effective after September 30, 2001.

Crossholding shares under 1 unit

(As of September 30, 2001)

Shareholders	Number of shares (Shares)	Shareholders	Number of shares (Shares)
Calsonic Kansei Corporation	922	Toyama Nissan Motor Co., Ltd.	422
Kai Nissan Motor Co., Ltd.	830	Utsunomiya Nissan Motor Co., Ltd.	400
Unipress Corporation	681	Kagawa Nissan Motor Co., Ltd.	296
Ohi Seisakusho Co., Ltd.	669	Yokoki Manufacturing Co., Ltd.	200
Fuji Univance Corp.	617	Aichi Machine Industry Co., Ltd.	116
Kochi Nissan Prince Motor Sales Co., Ltd.	600		
Unisia Jecs Corp.	477	Total	6,230

2. Treasury stock, etc.

Shareholders	Addresses of shareholders	Number of shares held under own name (Shares)	Number of shares held under name of others (Shares)	Total (Shares)	Percentage of interest (%)
Nissan Motor Co., Ltd.	2 Takaracho Kanagawa-ku, Yokohama-shi, Kanagawa	2,000	0	2,000	0.00
Unisia Jecs Corp.	1370 Onmyo Atsugi-shi, Kanagawa	4,335,000	0	4,335,000	0.11
Aichi Machine Industry Co., Ltd.	2-12 Kawanami-cho Atsuta-ku, Nagoya-shi, Aichi	3,576,000	0	3,576,000	0.09
Unipress Corp.	19-1 Aoba-cho, Fuji-shi, Shizuoka	2,404,000	0	2,404,000	0.06
Ohi Seisakusho Co., Ltd.	1-14-7 Maruyama Isogo-ku, Yokohama-shi, Kanagawa	1,558,000	0	1,558,000	0.04
Fuji Univance Corp.	2418 Washizu Kosai-shi, Shizuoka	1,509,000	0	1,509,000	0.04
Calsonic Kansei Corporation	5-24-15 Minamidai Nakano-ku, Tokyo	1,049,000	0	1,049,000	0.03
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazonocho Takamatsu-shi, Kagawa	45,000	73,000	118,000	0.00
Utsunomiya Nissan Motor Co., Ltd.	575 Nishiharacho Utsunomiya-shi, Tochigi	103,000	0	103,000	0.00
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahicho Kochi-shi, Kochi	28,000	43,000	71,000	0.00
Yokoki Manufacturing Co., Ltd.	555 Imaicho Hodogawa-ku, Yokohama-shi, Kanagawa	0	67,000	67,000	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimaicho Kofu-shi, Yamanashi	37,000	21,000	58,000	0.00
Nissan Prince Kagawa Sales Co., Ltd.	1037 Ikunocho Zentsuji-shi, Kagawa	0	55,000	55,000	0.00
Kyushu Kyuko Ferry Co., Ltd.	4-12-15 Ginza Chuo-ku, Tokyo	0	43,000	43,000	0.00
Toyama Nissan Motor Co., Ltd.	11-46 Nishishinjo Toyama-shi, Toyama	20,000	0	20,000	0.00
Nissan Parts Yamanashi Sales Co., Ltd.	1816 Tomitakeshinden Ryuocho Kyoma-gun, Yamanashi	0	1,000	1,000	0.00
Total		14,666,000	305,000	14,971,000	

(Notes) 1. The number of shares included in "Under the name of others" represents shares held by the Company's crossholding share association (address: 6-17-1 Ginza Chuo-ku, Tokyo). (Fractions under 1,000 have been omitted.)

2. Included in the number of shares based on the shareholders' register are 22,000 shares which the Company does not substantially own. These shares are included under "Others" in the number of shares with voting rights as described above.

2. Changes in the market prices of the Company’s shares

The highest and lowest prices each month for the six months ended September 30, 2001

Month	April 2001	May	June	July	August	October
Highest (Yen)	887	880	873	900	860	711
Lowest (Yen)	800	791	760	823	686	405

(Note) The prices presented above are those quoted on the First Section of the Tokyo Stock Exchange.

3. Members of the Board of Directors and Corporate Auditors

There were no changes in the members of the Board of Directors or in the corporate auditors during the period from the filing date of the securities report for the prior fiscal year to the filing date of this report. Takeshi Isayama, the Vice Chairman, was appointed as a member of the executive committee effective September 16, 2001. As a result, the executive committee consisted of 30 members as of September 30, 2001.

V. Financial Information

1. Basis of preparation of the semiannual consolidated financial statements

The semiannual consolidated financial statements of the Company have been prepared in accordance with the “Regulations Concerning the Terminology, Forms and Preparation Methods of the Semiannual Consolidated Financial Statements” (“Regulations for Semiannual Consolidated Financial Statements”) (Ministry of Finance Ordinance No. 24, 1999).

2. Audit reports

Pursuant to Article 193-2 of “The Securities and Exchange Law,” the semiannual consolidated financial statements for the prior period (from April 1, 2000 to September 30, 2000) have been audited by Century Ota Showa & Co., and the semiannual consolidated financial statements for the current period (from April 1, 2001 to September 30, 2001) have been audited by Shin Nihon & Co.

As of July 1, 2001, Century Ota Showa & Co. changed its name to Shin Nihon & Co.

1. Semiannual consolidated financial statements

(1) Semiannual consolidated financial statements

① Consolidated balance sheets

Accounts	Notes	As of September 30, 2000 Amounts (Millions of yen)		Ratio (%)	As of September 30, 2001 Amounts (Millions of yen)		Ratio (%)	As of March 31, 2001 Amounts (Millions of yen)		Ratio (%)
Assets										
I Current assets										
1 Cash on hand and in banks	*3		230,503			181,795			288,970	
2 Trade notes and accounts receivable	*3 *4		444,147			458,501			570,896	
3 Sales finance receivables	*3		910,148			1,395,038			1,185,568	
4 Marketable securities			26,433			1,407			3,958	
5 Inventories			557,020			539,185			559,088	
6 Deferred tax assets			122,891			134,811			140,386	
7 Other current assets	*3		263,251			268,910			322,972	
8 Allowance for doubtful receivables			△27,044			△36,514			△31,895	
Total current assets			2,527,349	42.0		2,943,133	46.2		3,039,943	47.1
II Fixed assets										
1 Property, plant and equipment	*1 *3									
(1) Buildings and structures		617,113			573,978			589,452		
(2) Machinery, equipment and vehicles	*2	1,056,559			1,098,504			1,114,900		
(3) Land		829,139			791,503			798,767		
(4) Other		263,704	2,766,515		294,545	2,758,530		278,601	2,781,720	
2 Intangible fixed assets			41,532			33,733			36,358	
3 Investments and other assets										
(1) Investment securities	*3	470,068			242,372			312,896		
(2) Long-term loans receivable		40,593			17,882			43,182		
(3) Deferred tax assets		54,331			249,284			132,154		
(4) Other assets		134,701			121,605			120,212		
(5) Allowance for doubtful receivables		△21,204	678,489		△1,881	629,262		△18,444	590,000	
Total fixed assets			3,486,536	58.0		3,421,525	53.7		3,408,078	52.8
III Deferred charges			–			2,950			3,222	
Discounts on bonds			–	–		2,950	0.1		3,222	0.1
Total assets			6,013,885	100.0		6,367,608	100.0		6,451,243	100.0

		As of September 30, 2000		As of September 30, 2001		As of March 31, 2001	
Accounts	Notes	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)	Amounts (Millions of yen)	Ratio (%)
Liabilities							
I Current liabilities							
1 Trade notes and accounts payable	*4	584,376		574,119		600,936	
2 Short-term borrowings and import bills payable	*3	643,565		643,342		703,599	
3 Current portion of long-term borrowings	*3	297,941		533,876		475,935	
4 Current portion of bonds		307,660		106,883		249,982	
5 Deferred tax liabilities		1,156		10		387	
6 Other current liabilities		961,577		908,842		1,079,967	
Total current liabilities		2,796,275	46.5	2,767,072	43.5	3,110,806	48.2
II Long-term liabilities							
1 Bonds and debentures		747,188		798,435		699,436	
2 Long-term borrowings	*3	711,766		726,519		703,111	
3 Deferred tax liabilities		172,550		175,571		169,768	
4 Accrual for warranty costs		157,410		151,945		154,557	
5 Accrual for losses on business restructuring		125,359		61,932		74,531	
6 Accrued retirement benefits		401,252		383,873		400,713	
7 Other long-term liabilities		59,151		67,244		101,205	
Total long-term liabilities		2,374,676	39.5	2,365,519	37.1	2,303,321	35.7
Total liabilities		5,170,951	86.0	5,132,591	80.6	5,414,127	83.9
Minority interests							
Minority interests		80,928	1.3	75,682	1.2	79,177	1.3
Shareholders’ equity							
I Common stock		496,605	8.2	496,606	7.8	496,606	7.7
II Additional paid-in capital		690,262	11.5	690,262	10.8	690,262	10.7
III Consolidated retained earnings	*5	–	–	286,170	4.5	87,626	1.3
IV Consolidated deficit	*6	68,437	1.1	–	–	–	–
V Unrealized holding gain (loss) on securities		27,082	0.5	△11,024	△0.2	1,438	0.0
VI Translation adjustments		△376,159	△6.3	△301,174	△4.7	△316,481	△4.9
		769,353		1,160,840		959,451	
VII Treasury stock		△6	△0.0	△2	△0.0	△9	△0.0
VIII Stock of parent company held by subsidiaries		△7,341	△0.1	△1,503	△0.0	△1,503	△0.0
Total shareholders’ equity		762,006	12.7	1,159,335	18.2	957,939	14.8
Total liabilities, minority, interests and shareholders’ equity		6,013,885	100.0	6,367,608	100.0	6,451,243	100.0

② Consolidated statements of income and retained earnings

Accounts	Notes	For the six months ended September 30, 2000			For the six months ended September 30, 2001			For the year ended March 31, 2001		
		Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
I Net sales			3,018,309	100.0		2,977,543	100.0		6,089,620	100.0
II Cost of sales			2,343,911	77.7		2,179,627	73.2		4,634,039	76.1
Gross profit before adjustments for income from installment sales			674,398	22.3		797,916	26.8		1,455,581	23.9
III Adjustments for income from installment sales			175	0.0		227	0.0		259	0.0
Gross profit			674,573	22.3		798,143	26.8		1,455,840	23.9
IV Selling, general and administrative expenses										
1 Advertising expenses		75,373			89,846			160,196		
2 Provision for accrual for warranty costs		23,841			13,118			27,121		
3 Other selling expenses		113,776			154,756			281,341		
4 Salaries and wages		191,918			185,870			388,379		
5 Retirement benefit expenses		17,842			16,426			30,028		
6 Provision for doubtful receivables		112			9,648			6,740		
7 Other		117,340	540,202	17.8	139,702	609,366	20.5	271,721	1,165,526	19.1
Operating income			134,371	4.5		188,777	6.3		290,314	4.8
V Non-operating income										
1 Interest and dividend income		5,718			5,728			11,139		
2 Gain on sales of marketable securities		17,639			–			38,599		
3 Equity in earnings of affiliates		4,659			2,497			9,239		
4 Revaluation gain arising from general price-level accounting		1,806			–			1,119		
5 Miscellaneous income		15,741	45,563	1.5	7,636	15,861	0.5	28,568	88,664	1.4
VI Non-operating expenses										
1 Interest expense		24,222			17,807			42,241		
2 Amortization of net retirement benefit obligation at transition		12,548			12,093			24,729		
3 Revaluation loss arising from general price-level accounting		–			520			–		
4 Miscellaneous expenses		12,479	49,249	1.7	13,905	44,325	1.4	29,699	96,669	1.6
Ordinary income			130,685	4.3		160,313	5.4		282,309	4.6

Accounts	Notes	For the six months ended September 30, 2000 Amounts (Millions of yen)		Ratio (%)	For the six months ended September 30, 2001 Amounts (Millions of yen)		Ratio (%)	For the year ended March 31, 2001 Amounts (Millions of yen)		Ratio (%)
VII Special gains										
1 Gain on sales of property, plant and equipment	*1	37,139			12,559			55,497		
2 Gain on sales of investments in unconsolidated subsidiaries and affiliates		13,008			–			–		
3 Gain on sales of investment securities		–			14,282			26,444		
4 Other		3,463	53,610	1.8	5,363	32,204	1.1	6,223	88,164	1.5
VIII Special losses										
1 Loss on disposal of property, plant and equipment		4,580			3,949			16,730		
2 Write-down of investments and receivables		465			13,367			16,378		
3 Other		5,698	10,743	0.4	9,776	27,092	0.9	47,667	80,775	1.3
Income before income taxes and minority interests			173,552	5.7		165,425	5.6		289,698	4.8
Corporate, inhabitants' and enterprise taxes		38,587			29,521			68,105		
Income taxes - deferred		△55,734	△17,147	△0.6	△97,952	△68,431	△2.2	△130,637	△62,532	△1.0
Income attributable to minority interests			18,699	0.6		3,560	0.1		21,155	0.4
Net income			172,000	5.7		230,296	7.7		331,075	5.4
IX Consolidated retained earnings										
1 Consolidated retained earnings at beginning of the period			–			87,626			–	
2 Consolidated deficit at beginning of the period			237,301			–			237,301	
3 Increase in consolidated retained earnings	*2		–			270			4,477	
4 Decrease in consolidated retained earnings										
Cash dividends		–			27,841			–		
Bonuses to directors and corporate auditors		–			286			131		
(Bonuses to corporate auditors included)		(–)			(1)			(20)		
Other	*3	–	–		3,895	32,022		10,494	10,625	
5 Decrease in consolidated deficit	*4		1,955			–			–	
6 Increase in consolidated deficit										
Bonuses to directors and corporate auditors		130			–			–		
(Bonuses to corporate auditors included)		(17)			(–)			(–)		
Other	*5	4,961	5,091		–	–		–	–	
Consolidated retained earnings at end of the period			–			286,170			87,626	
Consolidated deficit at end of the period			68,437			–			–	

③ Consolidated statements of cash flows

Accounts	Notes	For the six months ended September 30, 2000 Amounts (Millions of yen)	For the six months ended September 30, 2001 Amounts (Millions of yen)	For the year ended March 31, 2001 Amounts (Millions of yen)
I Cash flows from operating activities				
Income before income taxes and minority interests		173,552	165,425	289,698
Depreciation and amortization		164,691	193,636	360,191
Increase in allowance for doubtful receivables		23,602	9,862	17,320
Write-down of investments		–	13,367	14,152
Interest and dividend income		△5,718	△5,728	△11,139
Interest expense		52,876	51,800	108,188
Gain on sales of property, plant and equipment		△37,139	△10,962	△55,497
Loss on disposal of property, plant and equipment		901	3,949	16,730
Gain on sales of securities and investment securities		△30,647	△13,937	△65,043
Decrease (increase) in trade notes and accounts receivable		32,634	90,520	△100,533
Increase in sales finance receivables		△214,617	△263,033	△389,555
(Increase) decrease in inventories		△35,458	13,456	16,633
(Decrease) increase in trade notes and accounts payable		△63,863	△55,143	24,476
Amortization of net retirement benefit obligation at transition		12,548	12,093	24,729
Retirement benefit expenses		40,789	28,719	62,075
Retirement benefit payments made against related accrual		△26,014	△48,552	△67,351
Payments for business restructuring costs made against related accrual		△19,124	△4,767	△28,035
Other		△1,936	△29,179	782
Subtotal		67,077	151,526	217,821
Interest and dividends received		3,257	4,959	8,024
Interest paid		△51,805	△53,972	△109,206
Income taxes paid		△24,654	△66,982	△43,388
Net cash (used in) provided by operating activities		△6,125	35,531	73,251
II Cash flows from investing activities				
Net decrease in short-term investments		3,370	1,562	3,690
Purchases of property, plant and equipment		△80,500	–	△197,216
Purchases of fixed assets		–	△128,500	–
Proceeds from sales of property, plant and equipment		61,043	28,170	98,692
Increase in leased assets		△72,744	△97,650	△170,146
Decrease in long-term loans receivable		8,549	16,247	9,831
Increase in long-term loans receivable		△1,230	△98	△2,280
Purchases of investment securities		△7,535	△7,084	△9,294
Proceeds from sales of investment securities		54,259	47,999	177,731
Proceeds from sales of subsidiaries' stock resulting in changes in scope of consolidation		2,456	7,785	10,331
Additional acquisition of shares of consolidated subsidiaries		△2,063	–	△2,568
Proceeds from sales of businesses		30,591	–	40,379
Other		16,785	△8,383	25,265
Net cash provided by (used in) investing activities		12,981	△139,952	△15,585

		For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
Accounts	Notes	Amounts (Millions of yen)	Amounts (Millions of yen)	Amounts (Millions of yen)
III Cash flows from financing activities				
Net decrease in short-term borrowings		△200,953	△41,077	△16,403
Increase in long-term borrowings		171,502	240,129	248,298
Increase in bonds and debentures		50,000	150,000	50,000
Repayment or redemption of long-term debt		△268,870	△323,325	△555,045
Proceeds from sales of treasury stock		17,163	–	25,975
Repayment of lease obligations		△10,230	△4,936	△15,919
Cash dividends paid		–	△27,841	–
Net cash used in financing activities		△241,388	△7,050	△263,094
IV Effects of exchange rate changes on cash and cash equivalents		406	1,615	7,155
V Decrease in cash and cash equivalents		△234,126	△109,856	△198,273
VI Cash and cash equivalents at beginning of the period		490,708	288,536	490,708
VII Increase due to inclusion in consolidation		564	2,006	564
VIII Decrease due to exclusion from consolidation		△5,123	–	△4,463
IX Cash and cash equivalents at end of the period		252,023	180,686	288,536

Significant accounting policies

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
1. Scope of consolidation (1) Number of consolidated companies 335 • Domestic companies 238 Sales companies for vehicles and parts: Aichi Nissan Motor, Yokohama Nissan Motor, Nissan Satio Tokyo, Nissan Prince Tokyo Motor Sales, Nissan Parts Tokyo Sales, Nissan Tokyo Forklift Sales Co., and 201 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATOCO, TransTechnology Ltd., and 3 others Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autec Japan Co., Ltd., Vantec Co., Ltd., and 21 other companies • Foreign companies 97 Nissan North America, Inc., Nissan Europe N.V., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 93 other companies Nissan Business Center Gifu Co., Ltd., a newly established subsidiary has been consolidated. Ten companies for which the equity method was applied in the prior year such as Nissan Tokyo Forklift Sales Co., Ltd. have been consolidated. Seven companies such as Nissan Car Lease Co., Ltd. merged with other subsidiaries, and seven companies such as Nissan Aerospace Engineering were sold, became unrelated parties, and consequently have been excluded from consolidation. Four companies such Universal Trust Co., Ltd. were liquidated, and consequently have been excluded from consolidation.	1. Scope of consolidation (1) Number of consolidated companies 307 • Domestic companies 221 Sales companies for vehicles and parts: Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Satio Tokyo, Nissan Prince Tokyo Motor Sales, Nissan Parts Tokyo Kanagawa Sales, Nissan Tokyo Forklift Sales Co., and 191 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATOCO, TransTechnology Ltd., and 2 others Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autec Japan Co., Ltd., Nissan Altia Co., Ltd., and 15 other companies • Foreign companies 86 Nissan North America, Inc., Nissan Europe N.V., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 82 other companies Two newly established subsidiaries, including Nissan Business Center Aichi Co., Ltd., have been consolidated. Coribri de Parana and Nissan Satio Nara, which were unconsolidated in the prior year have been consolidated because their importance has increased. Four companies such as Seibu Nissan Sales Co., Ltd. merged with other subsidiaries, and Nissan Techsys Co., Ltd. was liquidated. Four companies such as Nissan Satio Saitama were sold, became unrelated parties, and consequently have been excluded from consolidation.	1. Scope of consolidation (1) Number of consolidated companies 313 • Domestic companies 229 Sales companies for vehicles and parts: Aichi Nissan Motor, Yokohama Nissan Motor, Nissan Satio Tokyo, Nissan Prince Tokyo Motor Sales, Nissan Parts Tokyo Kanagawa Sales, and 196 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATOCO, TransTechnology Ltd., and 3 others Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Nissan Altia Co., Ltd., and 19 other companies • Foreign companies 84 Nissan North America, Inc., Nissan Europe N.V., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 80 other companies Three newly established subsidiaries, including Nissan Business Center Gifu Co., Ltd., have been consolidated. Seven companies for which the equity method was applied in the prior year such as Nissan Tokyo Forklift Sales Co., Ltd. and two other companies for which the cost method was applied have been consolidated because their importance has increased. Nine companies such as Nissan Car Lease Co., Ltd. merged with other subsidiaries, and 17 companies such as Nissan Communication System Co., Ltd. were liquidated. 15 companies such as Vantec Co., Ltd. and Nissan Motor Switzerland were sold, became unrelated parties, and consequently have been excluded from consolidation.

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
(2) Unconsolidated subsidiaries 243 • Domestic companies 198 Rhythm Kyushu Co., Ltd., and others • Foreign companies 45 Nissan Trading L.A.S.A. and others These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the semiannual consolidated financial statements. As a result, they have been excluded from consolidation.	(2) Unconsolidated subsidiaries 200 • Domestic companies 162 Nissan Marine Co., Ltd., Rhythm Kyushu Co., Ltd., and others • Foreign companies 38 Nissan Trading L.A.S.A. and others These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the semiannual consolidated financial statements. As a result, they have been excluded from consolidation.	(2) Unconsolidated subsidiaries 225 • Domestic companies 181 Nissan Marine Co., Ltd., Rhythm Kyushu Co., Ltd., and others • Foreign companies 44 Nissan Trading L.A.S.A. and others These unconsolidated subsidiaries are small in terms of their total assets, total sales, total net income or loss and total retained earnings, and do not have a significant effect on the consolidated financial statements. As a result, they have been excluded from consolidation.
2. Equity method (1) Companies accounted for by the equity method 60 • Unconsolidated subsidiaries 19 (six domestic and 13 foreign companies) Nissan Trading L.A.S.A. and others Nissan Forklift Tokyo Sales Co., Ltd. and six other companies formerly accounted for by the equity method have now been fully consolidated. Nissan Forklift and Kyoji Sales Co., Ltd. merged, and Aqualandia Co., Ltd. and one other company were liquidated. Nissan Parts Yamanashi Sales Co., Ltd., formerly an affiliate, is now an unconsolidated company accounted for by the equity method. • Affiliates 41 (33 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Kiryu Machine Co., Ltd. and others Nissan Parts Gunma Sales Co., Ltd., a company formerly not accounted for by the equity method, is now accounted for by the equity method. Kansei which was merged, Ikeda Bussan, and two other companies which were sold have been excluded from the scope of consolidation. In accordance with the revised standard for consolidation, Nissan Parts Yamanashi Sales Co., Ltd., formerly an affiliate, has become an unconsolidated company accounted for by the equity method.	2. Equity method (1) Companies accounted for by the equity method 53 • Unconsolidated subsidiaries 18 (six domestic and 12 foreign companies) Nissan Marine Co., Ltd., Nissan Trading L.A.S.A. and others Following additional acquisition of shares, Indonesia Nissan Co., Ltd., formerly an affiliate accounted for by the equity method has become an unconsolidated subsidiary accounted for by the equity method. • Affiliates 35 (28 domestic and 7 foreign companies) Nissan Diesel Motor Co., Ltd., Kiryu Machine Co., Ltd. and others Nissan Parts Saitama Sales Co., Ltd., a company which was formerly fully consolidated, is now accounted for by the equity method following the sale of shares of Nissan Satio Saitama Co., Ltd. Nissan Indonesia, formerly an affiliated company accounted for by the equity method, has become a subsidiary accounted for by the equity method. Exedy and one other company, which were sold have been excluded from the scope of consolidation. These companies were accounted for by the equity method until the prior fiscal year.	2. Equity method (1) Companies accounted for by the equity method 54 • Unconsolidated subsidiaries 17 (six domestic and 11 foreign companies) Nissan Marine Co., Ltd., Nissan Trading L.A.S.A. and others In accordance with the revised standard for consolidation, Nissan Parts Yamanashi Sales Co., Ltd., an affiliate formerly accounted for by the equity method, has become an unconsolidated subsidiary accounted for by the equity method. Nissan Forklift Tokyo Sales Co., Ltd. and six other companies formerly accounted for by the equity method have now been fully consolidated. Nissan Forklift Kyoji Sales Co., Ltd. merged, and Aqualandia Co., Ltd. and one other company were liquidated. Nissan Auto Handles and one other company have been excluded from consolidation as Nissan Motor Switzerland became a nonrelated party. • Affiliates 37 (29 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Kiryu Machine Co., Ltd. and others Nissan Parts Gunma Sales Co., Ltd., established in the prior year as an affiliated company, has been accounted for by the equity method. Ismac Nissan Manufacturing is also accounted for by the equity method as its importance has become greater. Kansei, which was merged, Ikeda Bussan, and seven other companies which were sold have been excluded from the scope of consolidation. These companies were accounted for by the equity method until the prior fiscal year.

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
(2) Companies not accounted for by the equity method 269 • Unconsolidated subsidiaries 224 Rhythm Kyushu Co., Ltd. and others • Affiliates 45 Alfa Co., Ltd. and others These companies are not accounted for by the equity method as their impact is not significant on consolidated net income or loss for the period or on consolidated retained earnings. (3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.	(2) Companies not accounted for by the equity method 218 • Unconsolidated subsidiaries 182 Rhythm Kyushu Co., Ltd. and others • Affiliates 36 Nihon Kikaki Seisakusho Co., Ltd. and others These companies are not accounted for by the equity method as their impact is not significant on consolidated net income or loss for the period or on consolidated retained earnings. (3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.	(2) Companies not accounted for by the equity method 251 • Unconsolidated subsidiaries 208 Rhythm Kyushu Co., Ltd. and others • Affiliates 43 Nihon Kikaki Seisakusho Co., Ltd. and others These companies are not accounted for by the equity method as their impact is not significant on consolidated net or loss income or on consolidated retained earnings. (3) No adjustments are made to the financial statements of companies accounted for by the equity method even if their accounting period is different from that of the Company.
3. Accounting period of consolidated subsidiaries (1) The following consolidated companies close their books of account on: June 30: Nissan Mexicana, S.A. de C.A. Nissan Europe N.V. and its 27 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espagna S.A. Nissan Forklift Co., North America Nissan Trading Europe Nissan Trading America and its 2 subsidiaries Automakers (Pty) Ltd. and its 25 subsidiaries July 31: Yokohama Marinos Co., Ltd. (2) The necessary adjustments are made to the semiannual financial statements of these companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.	3. Accounting period of consolidated subsidiaries (1) The following consolidated companies close their books of account on: June 30: Nissan Mexicana, S.A. de C.A. Nissan Europe N.V. and its 25 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espagna S.A. Nissan Forklift Co., North America Nissan Trading Europe Nissan Trading America and its 2 subsidiaries Automakers (Pty) Ltd. and its 14 subsidiaries Coribri de Parana Nissan Finance Holland N.V. July 31: Yokohama Marinos Co., Ltd. (2) The necessary adjustments are made to the semiannual financial statements of these companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.	3. Accounting period of consolidated subsidiaries (1) The following consolidated companies close their books of account on: December 31: Nissan Mexicana, S.A. de C.A. Nissan Europe N.V. and its 20 subsidiaries Nissan Holding (UK) Ltd. and its 4 subsidiaries Nissan Forklift Europe B.V. Nissan Forklift Espagna S.A. Nissan Forklift Co., North America Nissan Trading Europe Nissan Trading America and its 2 subsidiaries Automakers (Pty) Ltd. and its 14 subsidiaries January 31: Yokohama Marinos Co., Ltd. (2) The necessary adjustments are made to the financial statements of these companies to reflect any significant transactions made between the Company's closing date and those of the consolidated subsidiaries.

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
4. Significant accounting policies (1) Method of valuation of assets ① Securities Held-to-maturity securities … Held-to maturity securities are stated at amortized cost Other securities Marketable securities … Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. Cost of securities sold is calculated by the moving average method. Non-marketable securities … Non-marketable securities classified as other securities are carried at cost determined by the moving average method.	4. Significant accounting policies (1) Method of valuation of assets ① Securities Same as prior period.	4. Significant accounting policies (1) Method of valuation of assets ① Securities Held-to-maturity securities … Held-to maturity securities are stated at amortized cost Other securities Marketable securities … Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, included directly in shareholders' equity. Cost of securities sold is calculated by the moving average method. Non-marketable securities … Non-marketable securities classified as other securities are carried at cost determined by the moving average method.
② Derivatives Derivatives are carried at fair value except for forward foreign exchange contracts entered into in order to hedge receivables and payables denominated in foreign currencies.	② Derivatives Same as prior period.	② Derivatives Same as prior period.
③ Finished goods Finished goods are stated principally at the lower of cost or market, cost being determined by the average method.	③ Finished goods Same as prior period.	③ Finished goods Same as prior period.
④ Other inventories Work in process and purchased parts included in raw materials are principally stated at the lower of cost or market, cost being determined by the average method. Raw materials except for purchased parts and supplies are principally stated at the lower of cost or market, cost being determined by the last-in, first-out method.	④ Other inventories Same as prior period.	④ Other inventories Same as prior period.
(2) Depreciation of property, plant and equipment Depreciation of property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives of the respective assets. The residual value of the assets is determined by the Company.	(2) Depreciation of property, plant and equipment Same as prior period.	(2) Depreciation of property, plant and equipment Same as prior period.
(3) Accruals ① Allowance for doubtful accounts An allowance for doubtful accounts is provided based on historical experience for normal receivables at an estimated amount based on the collectibility of receivables from companies in financial difficulty.	(3) Accruals ① Allowance for doubtful accounts Same as prior period.	(3) Accruals ① Allowance for doubtful accounts Same as prior period.
② Accrual for warranty costs An accrual for warranty costs is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the terms of the various warranty contracts and based on historical experience.	② Accrual for warranty costs Same as prior period.	② Accrual for warranty costs Same as prior period.

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
③ Accrual for losses on business restructuring An accrual for losses on business restructuring is provided to cover the costs reasonably estimated to be incurred for business restructuring based on the Nissan Revival Plan.	③ Accrual for losses on business restructuring Same as prior period.	③ Accrual for losses on business restructuring Same as prior period.
④ Accrued retirement benefits Accrued retirement benefits are provided principally at an amount calculated based on the estimated amount incurred at the end of the period, which is, in turn, calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method.	④ Accrued retirement benefits Accrued retirement benefits are provided principally at an amount calculated based on the estimated amount incurred at the end of the period, which is, in turn, calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.	④ Accrued retirement benefits Accrued retirement benefits are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year. The net retirement benefit obligation at transition is being amortized over a period of 15 years by the straight-line method. Prior service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees. Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the semiannual balance sheet date, and differences arising from the translation are included in the semiannual statement of income. The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the semiannual balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the period. Translation adjustments are presented as a separate component of shareholders' equity.	(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the semiannual balance sheet date, and differences arising from the translation are included in the semiannual statement of income. The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the semiannual balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the period. Translation adjustments are included in minority interests and as a separate component of shareholders' equity.	(4) Foreign currency translation Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are included in the statement of income. The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Translation adjustments are included in minority interests and as a separate component of shareholders' equity.
(5) Leases Noncancelable leases are primarily accounted for as operating leases except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.	(5) Leases Same as prior period.	(5) Leases Same as prior period.

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
(6) Hedge accounting ① Hedge accounting Deferral hedge accounting, under which unrealized gain or loss is deferred, is adopted for derivatives which qualify as hedges. When forward foreign exchange contracts and other derivatives transactions are entered into in order to hedge receivables and payables denominated in foreign currencies, such receivables and payables are recorded at the contract rates. ② Hedging instruments and hedged items • Hedging instruments … Derivative transactions • Hedged items … Hedged items are subject to the risk of loss as a result of market fluctuations and such changes are not reflected in their valuation. ③ Hedging policy It is the Company's policy that all transactions denominated in foreign currencies are to be hedged. ④ Assessment of hedge effectiveness Hedge effectiveness is determined by comparing the cumulative changes in cash flows from or fair value of the hedging instruments with the corresponding amounts for the hedged items. ⑤ 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." (7) Accounting for consumption tax Transactions subject to consumption tax, are recorded at amounts exclusive of consumption tax. (8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiary in Mexico have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in Mexico in the accompanying semiannual consolidated financial statements have been charged or credited to operations and are directly reflected in retained earnings.	(6) Hedge accounting ① Hedge accounting Same as prior period. ② Hedging instruments and hedged items Same as prior period. ③ Hedging policy Same as prior period. ④ Assessment of hedge effectiveness Same as prior period. ⑤ Risk management policy with respect to hedge accounting Same as prior period. (7) Accounting for consumption tax Same as prior period. (8) Accounting policies adopted by foreign consolidated subsidiaries Same as prior period.	(6) Hedge accounting ① Hedge accounting Same as prior period. ② Hedging instruments and hedged items Same as prior period. ③ Hedging policy Same as prior period. ④ Assessment of hedge effectiveness Same as prior period. ⑤ Risk management policy with respect to hedge accounting Same as prior period. (7) Accounting for consumption tax Same as prior period. (8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiary in Mexico have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in Mexico in the accompanying consolidated financial statements have been charged or credited to operations and are directly reflected in retained earnings.
5. Cash and cash equivalents in the semiannual consolidated statement of cash flows Cash and cash equivalents in the semiannual consolidated statement of cash flows consist of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.	5. Cash and cash equivalents in the semiannual consolidated statement of cash flows Same as prior period.	5. Cash and cash equivalents in the consolidated statement of cash flows Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, cash in banks which can be withdrawn on demand, and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

Changes in accounting policies

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
(Method of depreciation of property, plant and equipment) Until the year ended March 31, 2000, depreciation of property, plant and equipment of the Company was calculated by the declining-balance method at the rates prescribed in the Corporation Tax Law except for buildings (excluding building improvements) acquired after April 1, 1998 on which depreciation was calculated by the straight-line method. Effective April 1, 2000, the Company changed its method of depreciation of property, plant and equipment to the straight-line method. This change was made in order to achieve a better matching of revenue and expenses and recoup a portion of the investments in property, plant and equipment equally over the period by calculating depreciation on a straight-line basis, considering the recent changes in the business environment in which production levels are expected to stabilize due to the consolidation of production facilities, the reduction in the number of platforms and the sharing of platforms, and to achieve consistency with international accounting practices in this area. The Company also changed the useful lives and the residual value of property, plant and equipment to estimated useful lives and an estimated economic residual value of ¥1 per item as determined by the Company. The effect of these accounting changes was to decrease depreciation expense by ¥13,067 million and to increase operating income by ¥12,524 million and ordinary income and income before income taxes and minority interests by ¥12,717 million for the six months ended September 30, 2000. The effect of these changes on segment information is explained in the notes to the segment information.	――――――――	(Method of depreciation of property, plant and equipment) Until the year ended March 31, 2000, depreciation of property, plant and equipment of the Company was calculated by the declining-balance method at the rates prescribed in the Corporation Tax Law except for buildings (excluding building improvements) acquired after April 1, 1998 on which depreciation was calculated by the straight-line method. Effective April 1, 2000, the Company changed its method of depreciation of property, plant and equipment to the straight-line method. This change was made in order to achieve a better matching of revenue and expenses and to recoup a portion of the investments in property, plant and equipment equally over the period by calculating depreciation on a straight-line basis, considering the recent changes in the business environment in which production levels are expected to stabilize due to the consolidation of production facilities, the reduction in the number of platforms and the sharing of platforms, and to achieve consistency with international accounting practices in this area. The Company also changed the useful lives and the residual value of property, plant and equipment to estimated useful lives and an estimated economic residual value of ¥1 per item as determined by the Company. The effect of these accounting changes was to decrease depreciation expense by ¥29,804 million and to increase operating income by ¥28,672 million and ordinary income and income before income taxes and minority interests by ¥29,052 million for the year ended March 31, 2001. The effect of these changes on segment information is explained in the notes to the segment information.

Changes in presentation

For the six months ended September 30, 2000	For the six months ended September 30, 2001
――――――――	Semiannual consolidated statement of cash flows Effective April 1, 2001, “Purchases of property, plant and equipment” and “Purchases of intangible assets” in “Cash flows from investing activities” have been combined and are presented as “Purchases of fixed assets.” “Purchases of intangible assets” of ¥1,664 million is included in “Purchases of fixed assets” in the semiannual consolidated statement of cash flows for the six months ended September 30, 2001.

(Supplementary information)

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
(Semiannual consolidated balance sheet) (1) Accounting for employees' retirement benefits Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for employees' retirement benefits ("Opinion Concerning the Establishment of Accounting Standard for Retirement Benefits" issued by the Business Accounting Deliberation Council on June 16, 1998). The effect of the adoption of this standard for retirement benefits was to increase retirement benefit expenses (operating expenses) by ¥6,083 million and to decrease ordinary income by ¥18,571 million for the six months ended September 30, 2000 as a result of the amortization of the net retirement benefit obligation at transition of ¥12,548 million (a non-operating expense), which is being amortized over 15 years by the straight-line method. Accrued retirement allowances and long-term accrued pension cost related to the prior service cost of the pension plan have been included in accrued retirement benefits as of September 30, 2000. (2) Accounting for financial instruments Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for financial instruments ("Opinion Concerning the Establishment of Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council on January 22, 1999) and changed their methods of accounting for securities and derivative financial instruments. The aggregate effect of these changes was to increase ordinary income by ¥5,492 million for the six months ended September 30, 2000. Securities classified as other securities were reclassified to investment securities as of April 1, 2000. As a result, securities in current assets decreased by ¥232,250 million and investment securities in noncurrent assets increased by the same amount as of April 1, 2000.	――――― ―――――	(Consolidated balance sheet) (1) Accounting for employees' retirement benefits Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for employees' retirement benefits ("Opinion Concerning the Establishment of Accounting Standard for Retirement Benefits" issued by the Business Accounting Deliberation Council on June 16, 1998). The effect of the adoption of this standard for retirement benefits was to increase retirement benefit expenses (operating expenses) by ¥10,423 million and to decrease ordinary income by ¥35,042 million for the year ended March 31, 2001 as a result of the amortization of the net retirement benefit obligation at transition of ¥24,729 million (a non-operating expense), which is being amortized over 15 years by the straight-line method. Accrued retirement allowances and long-term accrued pension cost related to the prior service cost of the pension plan have been included in accrued retirement benefits as of March 31, 2001. (2) Accounting for financial instruments Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a new accounting standard for financial instruments ("Opinion Concerning the Establishment of Accounting Standard for Financial Instruments" issued by the Business Accounting Deliberation Council on January 22, 1999) and changed their methods of accounting for securities, derivative financial instruments and discounts on bonds. The aggregate effect of these changes was to increase ordinary income by ¥19,889 million for the year ended March 31, 2001. Securities classified as other securities were reclassified to investment securities as of April 1, 2000. As a result, securities in current assets decreased by ¥232,250 million and investment securities in noncurrent assets increased by the same amount as of April 1, 2000.
(3) Accounting for foreign currency translation Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a revised accounting standard for foreign currency translation ("Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation" issued by the Business Accounting Deliberation Council on October 22, 1999). The effect of the adoption on the semiannual consolidated operating results was immaterial for the six months ended September 30, 2000. Due to a revision to the "Regulations for Semiannual Consolidated Financial Statements," the Company has presented translation adjustments, which had previously been reported as a component of assets or liabilities, as a component of shareholders' equity in its semiannual consolidated financial statements for the six months ended September 30, 2000.	―――――	(3) Accounting for foreign currency translation Effective April 1, 2000, the Company and its domestic consolidated subsidiaries adopted a revised accounting standard for foreign currency translation ("Opinion Concerning Revision of Accounting Standard for Foreign Currency Translation" issued by the Business Accounting Deliberation Council on October 22, 1999). The effect of the adoption on the consolidated operating results was immaterial for the year ended March 31, 2001. Due to a revision to the "Regulations for Consolidated Financial Statements," the Company has presented translation adjustments, which had previously been reported as a component of assets or liabilities, as a component of shareholders' equity in its consolidated financial statements for the year ended March 31, 2001.

Notes to Consolidated Financial Statements

(For the consolidated balance sheets)

(Millions of yen)

As of September 30, 2000	As of September 30, 2001	As of March 31, 2001
1. ※1 Accumulated depreciation of property, plant and equipment ¥3,357,929	1. ※1 Accumulated depreciation of property, plant and equipment ¥3,310,426	1. ※1 Accumulated depreciation of property, plant and equipment ¥3,309,486
2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥616,586 million.	2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥692,629 million.	2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥701,982 million.
3. ※3 These assets include the following assets pledged as collateral: (1) Assets pledged as collateral: Cash in banks ¥ 232 Trade notes and accounts receivable 6,223 Sales finance receivables 468,062 Property, plant and equipment 373,956 Investment securities 3,091 Total ¥851,564 (2) Liabilities secured by the above collateral: Short-term borrowings ¥357,062 Long-term borrowings (including the current portion) 440,510 Total ¥797,572 In addition to the above, receivables related to leased assets which were not recorded in the accompanying consolidated balance sheet of ¥630 million and investment securities and others totaling ¥10,171 million were pledged as collateral for short-term borrowings of ¥500 million and long-term borrowings of affiliates of ¥17,515 million, which were not reflected in the accompanying semiannual consolidated balance sheet.	3. ※3 These assets include the following assets pledged as collateral: (1) Assets pledged as collateral: Cash in banks ¥ 3 Trade notes and accounts receivable 2,534 Sales finance receivables 779,100 Other current assets 1,827 Property, plant and equipment 470,381 Investment securities 14,384 Total ¥1,268,229 (2) Liabilities secured by the above collateral: Short-term borrowings ¥ 470,291 Long-term borrowings (including the current portion) 691,547 Total ¥1,161,838 In addition to the above, receivables related to leased assets which were not recorded in the accompanying consolidated balance sheet of ¥730 million and property, plant and equipment totaling ¥2,336 million were pledged as collateral for short-term borrowings of ¥500 million and borrowings of unconsolidated subsidiaries of ¥1,947 million, respectively, which were not reflected in the accompanying semiannual consolidated balance sheet. Investments in consolidated subsidiaries totaling ¥43,751 million, which were eliminated in consolidation, were also pledged as collateral for long-term borrowings of affiliates of ¥16,278 million, which were not reflected in the accompanying semiannual consolidated balance sheet.	3. ※3 These assets include the following assets pledged as collateral: (1) Assets pledged as collateral: Cash in banks ¥ 33 Trade notes and accounts receivable 6,819 Sales finance receivables 669,630 Other current assets 3,345 Property, plant and equipment 386,306 Investment securities 3,091 Total ¥1,069,224 (2) Liabilities secured by the above collateral: Short-term borrowings ¥351,359 Long-term borrowings (including the current portion) 641,157 Total ¥992,516 In addition to the above, investment securities totaling ¥8,526 million were pledged as collateral for long-term borrowings of affiliates of ¥16,515 million, which were not reflected in the accompanying consolidated balance sheet.
4. Notes receivable discounted with banks ¥374	4. Notes receivable discounted with banks ¥271	4. Notes receivable discounted with banks ¥663
5. Guarantees and others (1) Guarantees Guarantees / Balance of liabilities guaranteed / Description of liabilities guaranteed Employees ¥195,746※ Guarantees for employees' housing loans and others Oosaki Shintoshin-Biru Co., Ltd. and 623 other companies 44,609 Guarantees for loans Total ¥240,355 ※ These loans were fully covered by insurance.	5. Guarantees and others (1) Guarantees Guarantees / Balance of liabilities guaranteed / Description of liabilities guaranteed Employees ¥193,955※ Guarantees for employees' housing loans and others Oosaki Shintoshin-Biru Co., Ltd. and 651 other companies 37,266 Guarantees for loans Total ¥231,221 ※ These loans were fully covered by insurance.	5. Guarantees and others (1) Guarantees Guarantees / Balance of liabilities guaranteed / Description of liabilities guaranteed Employees ¥195,731※ Guarantees for employees' housing loans and others Oosaki Shintoshin-Biru Co., Ltd. and 727 other companies 47,302 Guarantees for loans Total ¥243,033 ※ These loans were fully covered by insurance.

(Millions of yen)

<table>
<tr><th>As of September 30, 2000</th><th>As of September 30, 2001</th><th>As of March 31, 2001</th></tr>
<tr>
<td>(2) Commitments to provide guarantees
<table><tr><th>Guarantees</th><th>Balance of commitments to provide guarantees</th><th>Description of commitments</th></tr><tr><td>MONC LIBERIA, INC and 4 other companies</td><td>¥2,359</td><td>Commitments to provide guarantees for loans</td></tr></table></td>
<td>(2) Commitments to provide guarantees
<table><tr><th>Guarantees</th><th>Balance of commitments to provide guarantees</th><th>Description of commitments</th></tr><tr><td>MONC LIBERIA, INC and 4 other companies</td><td>¥3,617</td><td>Commitments to provide guarantees for loans</td></tr></table></td>
<td>(2) Commitments to provide guarantees
<table><tr><th>Guarantees</th><th>Balance of commitments to provide guarantees</th><th>Description of commitments</th></tr><tr><td>MONC LIBERIA, INC and 4 other companies</td><td>¥3,908</td><td>Commitments to provide guarantees for loans</td></tr></table></td>
</tr>
<tr>
<td>(3) Letters of awareness
The Company provided letters of awareness to financial institutions regarding the indebtedness of the following companies:
<table><tr><th>Companies covered</th><th>Liabilities covered</th></tr><tr><td>Nissan Diesel Motor Co., Ltd.</td><td>¥12,500</td></tr><tr><td>3 other companies</td><td>6,740</td></tr><tr><td>Total</td><td>¥19,240</td></tr></table></td>
<td>(3) Letters of awareness
The Company provided letters of awareness to financial institutions regarding the indebtedness of the following companies:
<table><tr><th>Companies covered</th><th>Liabilities covered</th></tr><tr><td>Indonesia Nissan Motor Co., Ltd.</td><td>¥704</td></tr><tr><td>JATCO EUROPE GMBH</td><td>14</td></tr><tr><td>Total</td><td>¥718</td></tr></table></td>
<td>(3) Letters of awareness
The Company provided letters of awareness to financial institutions regarding the indebtedness of the following companies:
<table><tr><th>Companies covered</th><th>Liabilities covered</th></tr><tr><td>JATCO EUROPE GMBH</td><td>¥22</td></tr></table></td>
</tr>
<tr>
<td>(4) Letters of awareness regarding sales of trade receivables
Total trade receivables sold ¥77,391</td>
<td>(4) Letters of awareness regarding sales of trade receivables
Total trade receivables sold ¥64,550</td>
<td>(4) Letters of awareness regarding sales of trade receivables
Total trade receivables sold ¥90,085</td>
</tr>
<tr>
<td>(5) Outstanding balance of installment receivables sold with recourse ¥211</td>
<td>(5) Outstanding balance of installment receivables sold with recourse ¥249</td>
<td>(5) Outstanding balance of installment receivables sold with recourse ¥230</td>
</tr>
<tr>
<td></td>
<td>6. ※4 Balance of notes maturing on a holiday
Notes maturing on the semiannual consolidated balance sheet date have been eliminated from the consolidated balance sheet as of the date on which the notes were actually settled. As September 30, 2001 was a holiday, the following notes maturing on September 30, 2001 have been included in the semiannual consolidated balance sheet:
Notes receivable ¥3,794
Notes payable ¥1,703</td>
<td>6. ※4 Balance of notes maturing on a holiday
Notes maturing on the consolidated balance sheet date have been eliminated from the consolidated balance sheet as of the date on which the notes were actually settled. As March 31, 2001 was a holiday, the following notes maturing on March 31, 2001 have been included in the consolidated balance sheet:
Notes receivable ¥3,733
Notes payable ¥5,084</td>
</tr>
<tr>
<td>6. ※6 Consolidated deficit
Revaluation adjustments resulting from general price-level accounting ¥△532</td>
<td>7. ※5 Consolidated retained earnings
Revaluation adjustments resulting from general price-level accounting ¥589</td>
<td>7. ※5 Consolidated retained earnings
Revaluation adjustments resulting from general price-level accounting ¥2,052</td>
</tr>
<tr>
<td></td>
<td>8. The unused balances granted under bank overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows:
<table><tr><td>Maximum amount of bank overdrafts and total amount of loan commitments</td><td>¥6,463</td></tr><tr><td>Loans made</td><td>1,556</td></tr><tr><td>Unused amount</td><td>¥4,907</td></tr></table>A significant portion of the above bank overdraft and loan commitment agreements frequently expires without being utilized and the loans under those agreements are sometimes subject to a prior credit investigation of the borrowers in advance and, accordingly, the unused amount may not necessarily be fully utilized.</td>
<td></td>
</tr>
</table>

(For the consolidated statements of income and retained earnings)

(Millions of yen)

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
1. ※4 Decrease in consolidated deficit (1) Revaluation reserve resulting from general price-level accounting recognized by a Mexican consolidated subsidiary ¥1,762 (2) Decrease due to changes in number of consolidated subsidiaries 193 Total ¥1,955	1. ※1 Gain on sales of fixed assets consisted of gain on sales of land and buildings of ¥10,518 million and others.	1. ※1 Gain on sales of fixed assets consisted of gain on sales of land and buildings of ¥49,693 million and others.
2. ※5 Increase in consolidated deficit and others Increases due to changes in number of companies accounted for by the equity method and other ¥4,961	2. ※2 Increase in consolidated retained earnings (1) Increase due to increase in number of consolidated subsidiaries ¥ 14 (2) Other 256 Total ¥270	2. ※2 Increase in consolidated retained earnings (1) Revaluation reserve resulting from general price-level accounting recognized by a Mexican consolidated subsidiary ¥4,346 (2) Increase due to decrease in number of companies accounted for by the equity method 131 Total ¥4,477
	3. ※3 Decrease in consolidated retained earnings and other (1) Decrease due to decrease in number of consolidated subsidiaries ¥2,432 (2) Revaluation reserve resulting from general price-level accounting recognized by a Mexican consolidated subsidiary 1,463 Total ¥3,895	3. ※3 Decrease in consolidated retained earnings and other (1) Decrease due to decrease in number of consolidated subsidiaries ¥ 208 (2) Decrease due to decrease in number of companies accounted for by the equity method and other 10,286 Total ¥10,494

(For the consolidated statements of cash flows)

(Millions of yen)

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the consolidated balance sheet as follows: (As of September 30, 2000) Cash on hand and in banks ¥230,503 Time deposits with maturities of more than three months △2,886 Cash and cash equivalents included in marketable securities (*) 24,406 Cash and cash equivalents ¥252,023 * These include commercial paper, securities sold with repurchase agreements, government and corporate bonds, investment trusts and others.	Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the consolidated balance sheet as follows: (As of September 30, 2001) Cash on hand and in banks ¥181,795 Time deposits with maturities of more than three months △1,996 Cash and cash equivalents included in marketable securities (*) 887 Cash and cash equivalents ¥180,686 * These include government and corporate bonds, investment trusts and others.	Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the consolidated balance sheet as follows: (As of March 31, 2001) Cash on hand and in banks ¥288,970 Time deposits with maturities of more than three months △1,853 Cash and cash equivalents included in marketable securities (*) 1,419 Cash and cash equivalents ¥288,536 * These include government and corporate bonds, investment trusts and others.

(For lease transactions)

(Millions of yen)

For the six months ended September 30, 2000

(Lessees' accounting)

1. Finance leases except for those which stipulate the transfer of ownership of the leased assets to the lessee

(1) The pro forma acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥ 77,659	¥ 43,516	¥ 34,143
Others	143,965	73,065	70,900
Total	¥221,624	¥116,581	¥105,043

(2) Future minimum lease payments subsequent to September 30, 2000 are summarized as follows:

Due in one year or less	¥ 42,447
Due after one year	63,803
Total	¥106,250

(3) Lease payments, depreciation of leased assets, and the interest portion included in the lease payments were as follows:

Lease payments	¥27,072
Depreciation	25,556
Interest	1,661

(4) Method of calculation of depreciation

Depreciation of leased assets is calculated by the straight-line method over the respective lease terms with a nil residual value.

(5) Method of calculation of interest portion

The interest portion included in the lease payments is calculated as the difference between the aggregate lease payments during the lease term and the relevant pro forma acquisition costs. Interest expense is allocated to each period by the interest method over each respective lease term.

2. Operating lease transactions

Future minimum lease payments subsequent to September 30, 2000 are summarized as follows:

Due in one year or less	¥ 4,172
Due after one year	18,903
Total	¥23,075

For the six months ended September 30, 2001

(Lessees' accounting)

1. Finance leases except for those which stipulate the transfer of ownership of the leased assets to the lessee

(1) The pro forma acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥ 55,321	¥19,081	¥36,240
Others	139,168	76,219	62,949
Total	¥194,489	¥95,300	¥99,189

(2) Future minimum lease payments subsequent to September 30, 2001 are summarized as follows:

Due in one year or less	¥ 39,311
Due after one year	61,300
Total	¥100,611

(3) Lease payments, depreciation of leased assets, and the interest portion included in the lease payments were as follows:

Lease payments	¥24,374
Depreciation	22,966
Interest	1,651

(4) Method of calculation of depreciation

Same as prior period.

(5) Method of calculation of interest portion

Same as prior period.

2. Operating lease transactions

Future minimum lease payments subsequent to September 30, 2001 are summarized as follows:

Due in one year or less	¥ 3,455
Due after one year	20,198
Total	¥23,653

For the year ended March 31, 2001

(Lessees' accounting)

1. Finance leases except for those which stipulate the transfer of ownership of the leased assets to the lessee

(1) The pro forma acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥ 49,533	¥15,191	¥ 34,342
Others	150,443	79,713	70,730
Total	¥199,976	¥94,904	¥105,072

(2) Future minimum lease payments subsequent to March 31, 2001 are summarized as follows:

Due in one year or less	¥ 40,835
Due after one year	65,283
Total	¥106,118

(3) Lease payments, depreciation of leased assets, and the interest portion included in the lease payments were as follows:

Lease payments	¥52,053
Depreciation	49,136
Interest	3,160

(4) Method of calculation of depreciation

Same as prior period.

(5) Method of calculation of interest portion

Same as prior period.

2. Operating lease transactions

Future minimum lease payments subsequent to March 31, 2001 are summarized as follows:

Due in one year or less	¥ 5,451
Due after one year	18,168
Total	¥23,619

(Millions of yen)

For the six months ended September 30, 2000

(Lessors' accounting)

1. Finance leases except for those which stipulate the transfer of ownership of the leased assets to the lessee

(1) The acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥101,376	¥48,346	¥53,030
Others	4,505	2,509	1,996
Total	¥105,881	¥50,855	¥55,026

(2) Future minimum lease income subsequent to September 30, 2000 is summarized as follows:

Due in one year or less	¥21,362
Due after one year	36,439
Total	¥57,801

(3) Lease income, depreciation of the assets leased, and the interest portion included in lease income were as follows:

Lease income	¥18,898
Depreciation	9,852
Interest	1,138

(4) Method of calculation of interest

The interest portion included in the lease income is calculated as the difference between the aggregate lease income during the lease term plus the estimated residual value of the leased assets and the acquisition costs of the respective leased assets. Interest income is allocated to each period by the interest method over each respective lease term.

2. Operating lease transactions

Future minimum lease income subsequent to September 30, 2000 is summarized as follows:

Due in one year or less	¥75,332
Due after one year	155,595
Total	¥230,927

For the six months ended September 30, 2001

(Lessors' accounting)

1. Finance leases except for those which stipulate the transfer of ownership of the leased assets to the lessee

(1) The acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥101,845	¥47,421	¥54,424
Others	3,191	2,037	1,154
Total	¥105,036	¥49,458	¥55,578

(2) Future minimum lease income subsequent to September 30, 2001 is summarized as follows:

Due in one year or less	¥21,228
Due after one year	38,556
Total	¥59,784

(3) Lease income, depreciation of the assets leased, and the interest portion included in lease income were as follows:

Lease income	¥18,757
Depreciation	11,357
Interest	809

(4) Method of calculation of interest

Same as prior period.

2. Operating lease transactions

Future minimum lease income subsequent to September 30, 2001 is summarized as follows:

Due in one year or less	¥129,675
Due after one year	110,325
Total	¥240,000

For the year ended March 31, 2001

(Lessors' accounting)

1. Finance leases except for those which stipulate the transfer of ownership of the leased assets to the lessee

(1) The acquisition costs, accumulated depreciation and net book value of the leased assets were as follows:

	Acquisition costs	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥103,398	¥49,204	¥54,194
Others	5,073	2,958	2,115
Total	¥108,471	¥52,162	¥56,309

(2) Future minimum lease income subsequent to March 31, 2001 is summarized as follows:

Due in one year or less	¥22,138
Due after one year	38,777
Total	¥60,915

(3) Lease income, depreciation of the assets leased, and the interest portion included in lease income were as follows:

Lease income	¥37,591
Depreciation	23,751
Interest	2,125

(4) Method of calculation of interest

Same as prior period.

2. Operating lease transactions

Future minimum lease income subsequent to March 31, 2001 is summarized as follows:

Due in one year or less	¥117,014
Due after one year	102,931
Total	¥219,945

(For securities)

(Millions of yen)

As of September 30, 2000

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥2,804	¥2,793	¥△11

2 Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥185,017	¥234,319	¥49,302
(2) Bonds			
National and local government bonds	34	34	0
Corporate bonds	4,069	4,013	△56
Other	15,077	14,889	△188
(3) Other	130	132	2
Total	¥204,327	¥253,387	¥49,060

3 The carrying value and a description of major securities whose fair value is not available is as follows:

(1) Held-to-maturity debt securities

Unlisted domestic debt securities	¥5,021
Unlisted foreign debt securities	984
Commercial paper	1,000

(2) Other securities

Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥ 8,620
Unlisted foreign stocks	5,658
Unlisted domestic debt securities	15,010
Unlisted foreign debt securities	17,380

As of September 30, 2001

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
National and local government bonds	¥ 60	¥ 62	¥ 2
Corporate bonds	1,813	1,802	△11
Other	179	179	0
Total	¥2,052	¥2,043	¥ △9

2 Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥76,001	¥57,742	¥△18,259
(2) Bonds			
National and local government bonds	19	20	1
Corporate bonds	2,013	1,993	△20
Total	¥78,033	¥59,755	¥△18,278

3 The carrying value and a description of major securities whose fair value is not available is as follows:

(1) Held-to-maturity debt securities

Unlisted domestic debt securities	¥5,000

(2) Other securities

Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥ 6,944
Unlisted foreign stocks	5,008
Unlisted foreign debt securities	42,387

As of March 31, 2001

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
National and local government bonds	¥ 62	¥ 64	¥ 2
Corporate bonds	2,164	2,127	△37
Other	97	97	0
Total	¥2,323	¥2,288	¥△35

2 Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥108,977	¥111,884	¥2,907
(2) Bonds			
National and local government bonds	24	25	1
Corporate bonds	3,054	2,987	△67
Total	¥112,055	¥114,896	¥2,841

3 The carrying value and a description of major securities whose fair value is not available is as follows:

(1) Held-to-maturity debt securities

Unlisted domestic debt securities	¥5,000

(2) Other securities

Unlisted domestic stocks (excluding those traded on the over-the-counter market)	¥ 9,427
Unlisted foreign stocks	3,897
Unlisted foreign debt securities	44,315

(For derivatives)

National amounts, fair value and unrealized gain or loss

(Millions of yen)

Type of related items	Type of transactions	As of September 30, 2000			As of September 30, 2001			As of March 31, 2001		
		Notional amounts	Fair value	Unrealized gain (loss)	Notional amounts	Fair value	Unrealized gain (loss)	Notional amounts	Fair value	Unrealized gain (loss)
Currency	Forward foreign exchange contracts									
	Sell									
	£ Stg.	¥11,308	¥11,207	¥100	¥6,722	¥6,705	¥17	¥16,044	¥15,813	¥231
	US$	–	–	–	–	–	–	9,418	10,036	△618
	Other	523	521	2	870	827	43	1,576	1,557	19
	Buy									
	£ Stg.	–	–	–	16,398	16,136	△262	31,639	30,669	△970
	US$	50,096	48,647	△1,449	21,886	21,672	△214	23,640	23,602	△38
	Euro	–	–	–	16,671	16,464	△207	–	–	–
	Other	308	286	△22	2,024	2,197	173	11,801	11,279	△522
	Options									
	Collars									
	US$	¥2,875			–			–		
	(Option premium)	(–)	¥46	¥46	(–)	–	–	(–)	–	–
	Calls, sold									
	Yen	–			–			¥367		
	(Option premium)	(–)	–	–	(–)	–	–	(△12)	¥△38	¥△26
	Swaps									
	US$	¥291,075	¥15,670	¥15,670	¥4,416	¥△21	¥△21	¥236,755	¥△15,857	¥△15,857
	£ Stg.	–	–	–	4,367	1,388	1,388	–	–	–
	CAN $	–	–	–	2,068	△14	△14	–	–	–
	Euro	–	–	–	–	–	–	99,877	813	813
	Other	60,650	¥2,860	2,860	823	232	232	19,128	1,667	1,667
Interest rate	Swaps									
	Receive floating/ pay fixed	¥261,404	¥△2,048	¥△2,048	¥224,020	¥△4,560	¥△4,560	¥256,495	¥△4,424	¥△4,424
	Receive fixed/ pay floating	204,508	6,412	6,412	255,967	9,339	9,339	200,769	9,502	9,502
	Receive floating/ pay floating	6,293	32	32	2,500	△54	△54	6,727	0	0
	Options									
	Caps, sold	¥122,143			¥263,867			¥224,969		
	(Option premium)	(–)	¥△655	¥△655	(–)	¥△1,314	¥△1,314	(–)	¥△538	¥△538
	Caps, purchased	196,143			263,867			224,969		
	(Option premium)	(630)	1,014	384	(–)	1,314	1,314	(123)	538	415
Stock	Options									
	Calls, sold	¥8,509	¥△960	¥△960	¥28,824	¥△420	¥△420	¥42,510	¥△1,799	¥△1,799
	Puts, purchased	6,669	604	604	12,241	452	452	25,100	1,356	1,356
Total		–	–	¥20,976	–	–	¥5,892	–	–	¥△10,789

Notes:

1. Calculation of fair value
   (1) Fair value of the forward foreign exchange contracts is based on the forward rates.
   (2) Fair value of the options and swaps is based on the prices obtained from the financial institutions.
2. The notional amounts of the forward foreign exchange contracts presented above exclude those entered into to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contracted rates in the accompanying consolidated balance sheets.
3. In accordance with the revised accounting standard for foreign currency translation, the notional amounts of currency swaps presented above exclude those entered into to hedge receivables and payables denominated in foreign currencies which have been translated and are reflected at their corresponding contracted rates in the accompanying consolidated balance sheets.
4. In accordance with “Practical Guidelines for Accounting for Financial Instruments (Interim Report) (Accounting Committee Report No. 14)” issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants on January 31, 2000, certain swaps which qualify for special treatment have been excluded from the notional amounts presented above.
5. The notional amounts of the derivative transactions presented above exclude those for which hedge accounting has been adopted.

(Segment information)

Business segment information

For the six months ended September 30, 2000

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

① Net sales in the automobile segment constituted more than 90% of the aggregate net sales of all business segments.

② Operating income (loss) in the automobile segment constituted more than 90% of the aggregate operating income (loss) of all business segments.

For the six months ended September 30, 2001

(Millions of yen)

	Automobile	Sales finance	Total	Eliminations	Consolidated
Net sales					
(1) Sales to third parties	¥2,820,632	¥156,911	¥2,977,543	–	¥2,977,543
(2) Inter-group sales	14,614	18,754	33,368	¥(33,368)	0
Total	2,835,246	175,665	3,010,911	(33,368)	2,977,543
Operating expenses	2,677,456	154,072	2,831,528	(42,762)	2,788,766
Operating income	¥157,790	¥21,593	¥179,383	¥9,394	¥188,777

(Notes) 1. Businesses are segmented based on their proximity in terms of the type, nature and markets of their products. Until the year ended March 31, 2001, the disclosure of business segment information was omitted for the same reasons as those described for the six months ended September 30, 2000. Effective April 1, 2001, information on the sales finance business was separately disclosed since this business had become material to the consolidated financial statements. In this connection, the industrial machinery business, which had been included in "Other businesses," was included in the automobile business based on the business relationship.

2. Major products in each segment are as follows

(1) Automobiles .... passenger cars, trucks, buses, forklifts, parts for knock down and other

(2) Sales finance ...... credit, leases and other

3. The summarized consolidated financial statements by business segment as of and for the six months ended September 30, 2001 are presented as follows. The bases of preparation of these statements are as follows:
   - Figures for the sales finance business consist of those for Nissan Financial Service Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (the United States), and Nissan Canada Finance Inc. (Canada).
   - Figures for the automobile and other businesses segment represent the differences between the consolidated totals and those of the sales finance segment.

(1) Summarized consolidated balance sheet by business segment

(Millions of yen)

	As of September 30, 2001		
	Automobile and other	Sales finance	Consolidated
	Amount	Amount	Amount
Assets			
I Current assets			
Cash on hand and in banks	¥ 175,013	¥ 6,782	¥ 181,795
Trade notes and accounts receivable	450,248	8,253	458,501
Sales finance receivables	–	1,395,038	1,395,038
Marketable securities	1,407	–	1,407
Inventories	526,458	12,727	539,185
Other current assets	288,628	78,579	367,207
Total current assets	1,441,754	1,501,379	2,943,133
II Fixed assets			
Property, plant and equipment	2,081,345	677,185	2,758,530
Investment securities	210,073	32,299	242,372
Other assets	362,187	58,436	420,623
Total fixed assets	2,653,605	767,920	3,421,525
III Deferred charges			
Discounts on bonds	2,950	–	2,950
Total deferred charges	2,950	–	2,950
Total assets	¥4,098,309	¥2,269,299	¥6,367,608
Liabilities			
I Current liabilities			
Trade notes and accounts payable	¥ 566,067	¥ 8,052	¥ 574,119
Short-term borrowings	△92,506	1,376,607	1,284,101
Other current liabilities	772,350	136,502	908,852
Total current liabilities	1,245,911	1,521,161	2,767,072
II Long-term liabilities			
Bonds	798,435	–	798,435
Long-term borrowings	267,059	459,460	726,519
Other long-term liabilities	758,777	81,788	840,565
Total long-term liabilities	1,824,271	541,248	2,365,519
Total liabilities	3,070,182	2,062,409	5,132,591
Minority interests			
Minority interests	75,682	–	75,682
Shareholders' equity			
I Common stock	427,454	69,152	496,606
II Additional paid-in capital	672,695	17,567	690,262
III Retained earnings	173,372	101,774	275,146
IV Translation adjustments	△319,571	18,397	△301,174
V Treasury stock	△1,505	–	△1,505
Total shareholders' equity	952,445	206,890	1,159,335
Total liabilities, minority interests and shareholder' equity	¥4,098,309	¥2,269,299	¥6,367,608

Note: The amounts of borrowings for the automobile and other businesses segment are stated net of loans of ¥602,200 million made to the sales finance business.

(2) Summarized statement of income by business segment

(Millions of yen)

	For the six months ended September 30, 2001		
	Automobile and other	Sales finance	Consolidated
	Amount	Amount	Amount
Net sales	¥2,801,878	¥175,665	¥2,977,543
Cost of sales	2,055,519	123,881	2,179,400
Gross profit	746,359	51,784	798,143
Operating income	167,184	21,593	188,777
Operating income as a percentage of net sales	6.0%	12.3%	6.3%
Ordinary income	138,658	21,655	160,313
Income before income taxes and minority interests	144,489	20,936	165,425
Net income	¥ 217,392	¥ 12,904	¥ 230,296

(3) Summarized statement of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2001		
	Automobile and other	Sales finance	Consolidated
	Amount	Amount	Amount
I Cash flows from operating activities			
Income before income taxes and minority interests	¥144,489	¥ 20,936	¥165,425
Depreciation	108,425	85,211	193,636
Increase in sales finance receivables	–	△263,033	△263,033
Other	△6,813	△53,684	△60,497
Cash flows provided by (used in) operating activities	246,101	△210,570	35,531
II Cash flows from investing activities			
Proceeds from sales of investment securities	55,443	341	55,784
Proceeds from sales of property, plant and equipment	28,118	52	28,170
Capital expenditures	△127,400	△1,100	△128,500
Increase in leased assets	△11,310	△86,340	△97,650
Other	△8,453	10,697	2,244
Cash flows used in financing activities	△63,602	△76,350	△139,952
III Cash flows from financing activities			
Changes in short-term borrowings	△251,474	210,397	△41,077
Changes in long-term borrowings	△161,897	78,701	△83,196
Increase in bonds and debentures	150,000	–	150,000
Other	△32,777	–	△32,777
Cash flows (used in) provided by financing activities	△296,148	289,098	△7,050
IV Effect of exchange rate changes on cash and cash equivalents	1,845	△230	1,615
V (Decrease) increase in cash and cash equivalents	△111,804	1,948	△109,856
VI Cash and cash equivalents at beginning of the period	283,717	4,819	288,536
VII Increase due to inclusion in consolidation	2,006	–	2,006
VIII Cash and cash equivalents at end of the period	¥173,919	¥ 6,767	¥180,686

For the year ended March 31, 2001

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

① Net sales in the automobile segment constituted more than 90% of the aggregate net sales in all business segments.

② Operating income (loss) in the automobile segment constituted more than 90% of the aggregate operating income (loss) in all business segments.

(Geographical segment information)

For the six months ended September 30, 2000

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	¥1,211,852	¥1,226,368	¥ 453,873	¥126,216	¥3,018,309	–	¥3,018,309
(2) Inter-area sales	642,731	9,342	5,353	1,189	658,615	¥△658,615	0
Total	1,854,583	1,235,710	459,226	127,405	3,676,924	△658,615	3,018,309
Operating expenses	1,795,773	1,140,399	474,505	126,026	3,536,703	△652,765	2,883,938
Operating income (loss)	¥ 58,810	¥ 95,311	¥△15,279	¥ 1,379	¥ 140,221	¥ △5,850	¥ 134,371

(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 .... The United States, Canada, Mexico
   (2) Europe .... The Netherlands, Spain, The United Kingdom and other European countries
   (3) Other .... Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

   ("Central and South America excluding Mexico" and "South Africa" have been separately disclosed effective the current fiscal year because they have become material.)

3. Change in accounting policies

   As explained in "Changes in accounting policies," effective April 1, 2000, the Company changed its method of depreciation of property, plant and equipment to the straight-line method. Until the year ended March 31, 2000, depreciation of property, plant and equipment was calculated by the declining-balance method at the rates prescribed in the Corporation Tax Law except for buildings (excluding building improvements) acquired after April 1, 1998 on which depreciation was calculated by the straight-line method. The Company has also changed the useful lives and the residual value of property, plant and equipment to estimated useful lives and an estimated economic residual value of ¥1 per item as determined by the Company.

   Because of this change in method of depreciation of property, plant and equipment, operating income for the "Japan" segment increased by ¥12,524 million over the corresponding amount for the for the same period of the previous year.

For the six months ended September 30, 2001

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	¥1,159,399	¥1,224,982	¥430,326	¥162,836	¥2,977,543	–	¥2,977,543
(2) Inter-area sales	655,055	5,512	14,287	2,441	677,295	¥△677,295	0
Total	1,814,454	1,230,494	444,613	165,277	3,654,838	△677,295	2,977,543
Operating expenses	1,686,260	1,153,049	449,166	162,958	3,451,433	△662,667	2,788,766
Operating income (loss)	¥ 128,194	¥ 77,445	¥ △4,553	¥ 2,319	¥ 203,405	¥ △14,628	¥ 188,777

(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 .... The United States, Canada, Mexico
   (2) Europe .... The Netherlands, Spain, the United Kingdom and other European countries
   (3) Other .... Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

For the year ended March 31, 2001

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales							
(1) Sales to third parties	¥2,536,750	¥2,469,918	¥ 822,756	¥260,196	¥6,089,620	–	¥6,089,620
(2) Inter-area sales	1,381,037	12,134	17,606	2,410	1,413,187	¥△1,413,187	0
Total	3,917,787	2,482,052	840,362	262,606	7,502,807	△1,413,187	6,089,620
Operating expenses	3,743,458	2,331,590	867,648	258,617	7,201,313	△1,402,007	5,799,306
Operating income (loss)	¥ 174,329	¥ 150,462	¥△27,286	¥ 3,989	¥ 301,494	¥ △11,180	¥ 290,314

(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 .... The United States, Canada, Mexico
   (2) Europe .... The Netherlands, Spain, the United Kingdom and other European countries
   (3) Other .... Asia, Oceania, the Middle and Near East, Central and South America excluding Mexico and South Africa

   (“Central and South America excluding Mexico” and “South Africa” have been separately disclosed effective the current fiscal year because they have become material.)

3. Change in accounting policies

   As explained in “Changes in accounting policies,” effective April 1, 2000, the Company changed its method of depreciation of property, plant and equipment to the straight-line method. Until the year ended March 31, 2000, depreciation of property, plant and equipment was calculated by the declining-balance method at the rates prescribed in the Corporation Tax Law except for buildings (excluding building improvements) acquired after April 1, 1998 on which depreciation was calculated by the straight-line method. The Company has also changed the useful lives and the residual value of property, plant and equipment to estimated useful lives and an estimated economic residual value of ¥1 per item as determined by the Company.

   Because of this change in method of depreciation of property, plant and equipment, operating income for the “Japan” sector increased by ¥28,672 million for the year ended March 31, 2001 over the corresponding amount for the previous year.

(Overseas sales)

For the six months ended September 30, 2000

	North America	Europe	Other foreign countries	Total
I Overseas sales (Millions of yen)	¥1,254,977	¥466,472	¥276,499	¥1,997,948
II Consolidated net sales (Millions of yen)				¥3,018,309
III Overseas sales as a percentage of consolidated net sales (%)	41.6	15.4	9.2	66.2

(Note) 1. Overseas sales consisted of export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the 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 .... The United States, Canada, Mexico

(2) Europe .... Germany, the United Kingdom, Spain and other European countries

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

("South Africa" has been separately disclosed effective the current fiscal year because it has become material.)

For the six months ended September 30, 2001

	North America	Europe	Other foreign countries	Total
I Overseas sales (Millions of yen)	¥1,190,170	¥433,735	¥308,146	¥1,932,051
II Consolidated net sales (Millions of yen)				¥2,977,543
III Overseas sales as a percentage of consolidated net sales (%)	40.0	14.6	10.3	64.9

(Note) 1. Overseas sales consisted of export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the 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 .... The United States, Canada, Mexico

(2) Europe .... Germany, the United Kingdom, Spain and other European countries

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

For the year ended March 31, 2001

	North America	Europe	Other foreign countries	Total
I Overseas sales (Millions of yen)	¥2,429,722	¥794,251	¥554,221	¥3,778,194
II Consolidated net sales (Millions of yen)				¥6,089,620
III Overseas sales as a percentage of consolidated net sales (%)	39.9	13.0	9.1	62.0

(Note) 1. Overseas sales consisted of export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the 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 .... The United States, Canada, Mexico

(2) Europe .... Germany, the United Kingdom, Spain and other European countries

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

("South Africa" has been separately disclosed effective the current fiscal year because it has become material.)

(Amounts per share)

(Yen)

For the six months ended September 30, 2000		For the six months ended September 30, 2001		For the year ended March 31, 2001	
Net assets per share	¥192.46	Net assets per share	¥291.75	Net assets per share	¥241.07
Basic net income per share	¥43.45	Basic net income per share	¥57.95	Basic net income per share	¥83.53
Diluted net income per share	¥43.41	Diluted net income per share	¥54.02	Diluted net income per share	¥79.45

(Significant subsequent events)

For the six months ended September 30, 2000	For the six months ended September 30, 2001	For the year ended March 31, 2001
―――――	―――――	On June 15, 2001, the Company issued its 37th issue of unsecured bonds. The terms and conditions of the bonds are summarized as follows: The 37th issue of unsecured bonds: 1. Principal ¥70,000 million 2. Issue price at par 3. Interest rate 0.95% per annum 4. Maturity June 15, 2005 5. Use of proceeds For the redemption of bonds and other

(2) Other

Not applicable.

Auditors' Report

December 19, 2000

Nissan Motor Co., Ltd.

Director and President Carlos Ghosn

Century Ota Showa & Co.

Representative and Engagement Partner	Kikuo Kimura
Representative and Engagement Partner	Kazuo Suzuki
Representative and Engagement Partner	Yasunobu Furukawa
Engagement Partner	Kenji Ota

Pursuant to Article 193-2 of the "Securities and Exchange Law," we have performed semiannual audit procedures to the semiannual consolidated financial statements, namely the semiannual consolidated balance sheet, the semiannual consolidated statement of income and retained earnings, and the semiannual consolidated statement of cash flows of Nissan Motor Co., Ltd. included in "Financial Information" for the semiannual consolidation accounting period from April 1, 2000 to September 30, 2000 of the consolidation accounting term from April 1, 2000 to March 31, 2001.

Our semiannual audit procedures were in accordance with generally accepted semiannual auditing standards and all relevant auditing procedures were carried out as are normally required for a semiannual audit. This means that we have omitted certain audit procedures normally required for an audit of annual consolidated financial statements in accordance with Paragraph 2 of the semiannual auditing standards for fieldwork. We performed audit procedures which consisted mainly of an analytical review, inquiries and inspections of documents relating to the accounts of the consolidated subsidiaries and other in accordance with Paragraph 3 of the semiannual auditing standards for fieldwork.

As a result of our semiannual audit procedures, it is our opinion that the accounting policies and treatments adopted by the Company in the preparation of the semiannual consolidated financial statements referred to above are in accordance with generally accepted accounting principles, and, except for the matter described below, are consistent with those applied in the prior consolidation accounting term. It is also our opinion that the presentation of these semiannual consolidated financial statements is in conformity with "Regulations Concerning the Terminology, Forms and Preparation Methods of the Semiannual Consolidated Financial Statements" (Ministry of Finance Ordinance No. 24, 1999).

As described in “Changes in Accounting Policies,” the Company changed its method of depreciation of property, plant and equipment to the straight-line method, from the declining-balance method, at the rates prescribed in the Corporation Tax Law except for buildings (excluding building improvements) acquired after April 1, 1998 on which depreciation has consistently been calculated by the straight-line method. In addition, the Company has changed the former useful lives and residual value of property, plant and equipment to estimated useful lives and an estimated economic residual value of ¥1 per item as determined by the Company. These changes, with which we concur, were made in order to achieve a better matching of revenue and expenses, to recoup a portion of the investments in property, plant and equipment equally over the period by calculating depreciation on a straight-line basis, considering recent changes in the business environment in which production levels are expected to stabilize due to the consolidation of production facilities, the reduction in the number of platforms and the sharing of platforms, and to achieve consistency with international accounting practices. The effect of these changes for the semiannual consolidation accounting period ended September 30, 2000 was to decrease depreciation expense by ¥13,067 million and to increase operating income by ¥12,524 million and ordinary income and income before income taxes and minority interests by ¥12,717 million. The effect of these changes on the segment information has been duly disclosed in Note 3, “Changes in accounting policies” of 2, “Geographical segment information.”

Accordingly, it is our opinion that the aforementioned semiannual consolidated financial statements present useful information regarding the consolidated financial position of the Company and its consolidated subsidiaries as of September 30, 2000, and the consolidated results of their operations and their consolidated cash flows for the semiannual consolidation accounting period then ended.

We have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Law.

Note: As described in “Significant accounting policies” and in the notes under “Supplemental information,” the Company and its consolidated subsidiaries applied new accounting standards for employees’ retirement benefits, financial instruments and foreign currency translation in preparing their semiannual consolidated financial statements for the six months ended September 30, 2000.

Auditors' Report

December 19, 2001

Nissan Motor Co., Ltd.

Director and President Carlos Ghosn

Shin Nihon & Co.

Representative and Engagement Partner Kazuo Suzuki
Representative and Engagement Partner Yasunobu Furukawa
Representative and Engagement Partner Kenji Ota

Pursuant to Article 193-2 of the "Securities and Exchange Law," we have performed semiannual audit procedures to the semiannual consolidated financial statements, namely the semiannual consolidated balance sheet, the semiannual consolidated statement of income and retained earnings, and the semiannual consolidated statement of cash flows of Nissan Motor Co., Ltd. included in "Financial Information" for the semiannual consolidation accounting period from April 1, 2001 to September 30, 2001 of the consolidation accounting term from April 1, 2001 to March 31, 2002.

Our semiannual audit procedures were in accordance with generally accepted semiannual auditing standards and all relevant auditing procedures were carried out as are normally required for a semiannual audit. This means that we have omitted certain audit procedures normally required for an audit of annual consolidated financial statements in accordance with Paragraph 2 of the semiannual auditing standards for fieldwork. We performed audit procedures which consisted mainly of an analytical review, inquiries and inspections of documents relating to the accounts of the consolidated subsidiaries and other in accordance with Paragraph 3 of the semiannual auditing standards for fieldwork.

As a result of our semiannual audit procedures, it is our opinion that the accounting policies and treatments adopted by the Company in the preparation of the semiannual consolidated financial statements referred to above are in accordance with generally accepted accounting principles, and that such accounting policies are consistent with those applied in the prior consolidation accounting term. It is also our opinion that the presentation of these semiannual consolidated financial statements is in conformity with "Regulations Concerning the Terminology, Forms and Preparation Methods of the Semiannual Consolidated Financial Statements" (Ministry of Finance Ordinance No. 24, 1999).

Accordingly, it is our opinion that the aforementioned semiannual consolidated financial statements present useful information regarding the consolidated financial position of the Company and its consolidated subsidiaries as of September 30, 2001, and the consolidated results of their operations and their consolidated cash flows for the semiannual consolidation accounting period then ended.

We have no interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Law.