Financial Information as of September 30, 2003

(The contents are English translation of part of
"Hanki-Houkokusho" for the year ended
September 30,2003)

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Part I Information on the Company

I. Overview of the Company

1. Trends in Key Financial Data

(1) Consolidated Financial Data

Fiscal year		First half 103rd	First half 104th	First half 105th	Full year 103rd	Full year 104th
Period		From Apr. 1, 2001 to Sept. 30, 2001	From Apr. 1, 2002 to Sept. 30, 2002	From Apr. 1, 2003 to Sept. 30, 2003	Year ended Mar. 31, 2002	Year ended Mar. 31, 2003
Net sales	(Millions of yen)	2,977,543	3,285,463	3,556,249	6,196,241	6,828,588
Ordinary income	(Millions of yen)	160,313	323,500	390,346	414,744	710,069
Net income	(Millions of yen)	230,296	287,705	237,680	372,262	495,165
Net assets	(Millions of yen)	1,159,335	1,663,915	1,899,093	1,620,822	1,808,304
Total assets	(Millions of yen)	6,367,608	6,978,163	7,752,872	7,215,005	7,349,183
Net assets per share	(Yen)	291.75	395.89	461.30	358.84	434.11
Basic net income per share	(Yen)	57.95	68.34	57.40	92.61	117.75
Diluted net income per share	(Yen)	54.02	67.78	56.83	92.13	116.88
Net assets as a percentage of total assets	(%)	18.2	23.8	24.5	22.5	24.6
Cash flows from operating activities	(Millions of yen)	35,531	271,106	252,765	222,214	575,378
Cash flows from investing activities	(Millions of yen)	△139,952	△172,308	△353,720	△524,389	△515,374
Cash flows from financing activities	(Millions of yen)	△7,050	△127,319	△9,314	280,915	△72,764
Cash and cash equivalents at end of the period	(Millions of yen)	180,686	249,693	160,453	279,653	269,817
Employees ( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	120,823 (7,251) 122,682 (7,251)	120,508 (7,320) 121,063 (7,320)	119,940 (4,464) 124,526 (6,199)	118,161 (6,938) 120,331 (6,938)	119,988 (7,637) 120,231 (7,637)

Notes: 1. Net sales are presented exclusive of consumption tax.

2. Effective April 1, 2002, the Company adopted “Accounting Standard for Net Income Per Share” (Accounting Standard No. 2) and “Application Guideline for Accounting Standard for Net Income Per Share” (Application Guideline for Accounting Standard No. 4) issued by the Accounting Standards Board of Japan on September 25, 2002. The impact of the adoption of the new standard and the application guideline has been disclosed in the accompanying notes to the consolidated financial statements in Note V, “Financial Information.”

3. The numbers in the second row in the “Employees” line include the employees of unconsolidated subsidiaries accounted for by the equity method and are presented solely for information purposes.

(2) Non-Consolidated Financial Data

Fiscal year		First half 103rd	First half 104th	First half 105th	Full year 103rd	Full year 104th
Period		From Apr. 1, 2001 to Sept. 30, 2001	From Apr. 1, 2002 to Sept. 30, 2002	From Apr. 1, 2003 to Sept. 30, 2003	Year ended Mar. 31, 2002	Year ended Mar. 31, 2003
Net sales	(Millions of yen)	1,395,678	1,601,748	1,655,604	3,019,860	3,419,068
Ordinary income	(Millions of yen)	96,983	138,593	141,377	197,932	293,073
Net income	(Millions of yen)	184,832	21,057	75,348	183,449	72,869
Common stock	(Millions of yen)	496,606	604,559	605,813	604,556	605,813
Number of shares in issue	(Thousands)	3,977,295	4,517,054	4,520,715	4,517,045	4,520,715
Net assets	(Millions of yen)	1,595,940	1,806,550	1,766,330	1,829,052	1,798,716
Total assets	(Millions of yen)	3,517,938	3,942,660	4,020,625	3,915,031	3,933,993
Net assets per share	(Yen)	401.26	400.87	399.81	404.94	402.65
Basic net income per share	(Yen)	46.47	4.67	16.96	45.61	16.09
Diluted net income per share	(Yen)	43.32	4.63	16.80	45.38	15.98
Annual cash dividends per share	(Yen)	0	4	8	8 (4 for shares newly issued)	14
Net assets as a percentage of total assets	(%)	45.4	45.8	43.9	46.7	45.7
Employees		30,499	31,005	31,870	30,365	31,128
( ) represents the number of part-time employees at the end of the period not included in the above number	(Number)	(153)	(410)	(185)	(227)	(423)

Notes: 1. Net sales are presented exclusive of consumption tax.

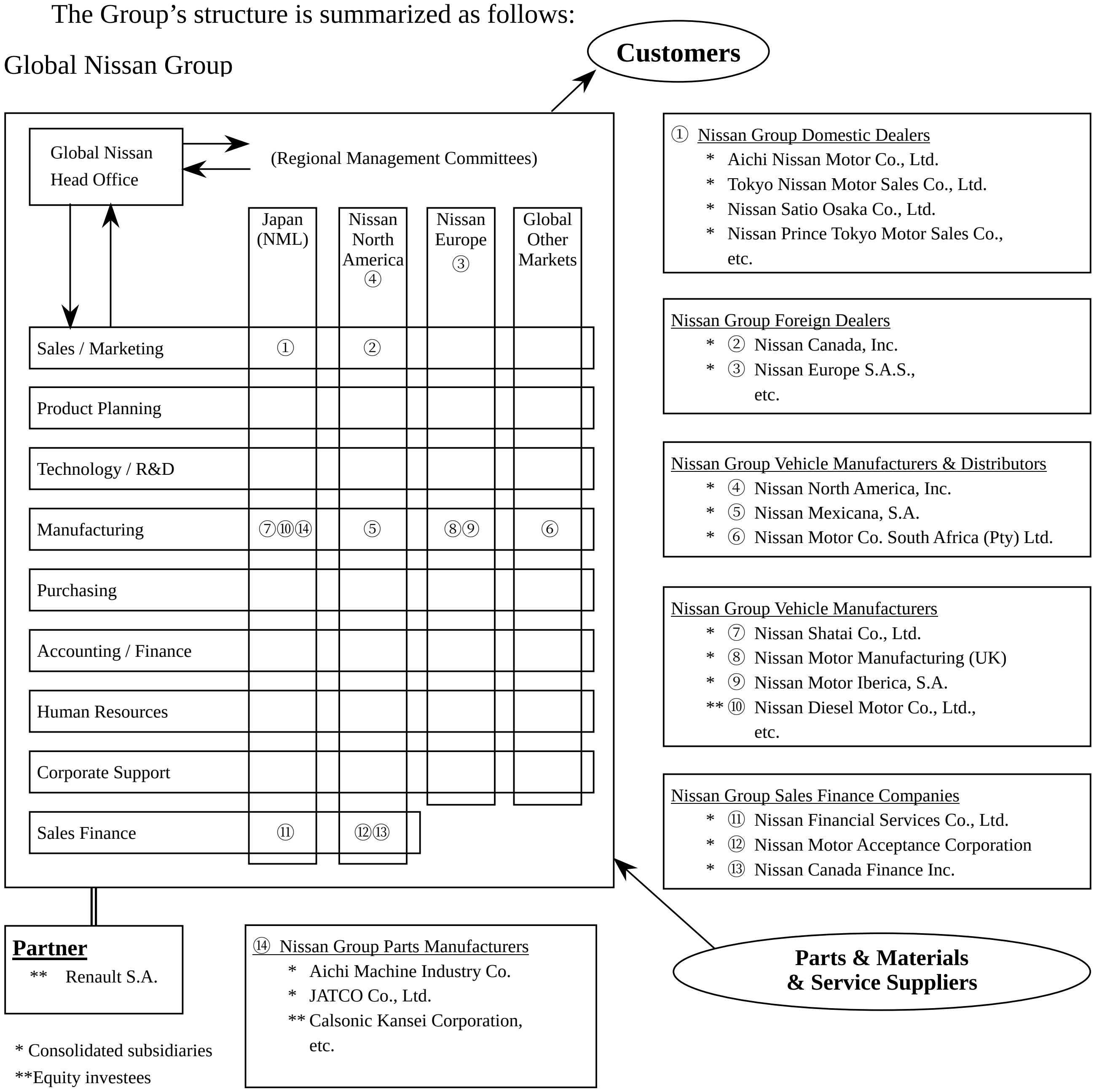
2. Effective April 1, 2002, the Company adopted “Accounting Standard for Net Income Per Share” (Accounting Standard No. 2) and “Application Guideline for Accounting Standard for Net Income Per Share” (Application Guideline for Accounting Standard No. 4) issued by the Accounting Standards Board of Japan on September 25, 2002. The adoption of the new standard and the application guideline had no impact on the per share amounts disclosed above.

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 services.

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

The Group’s structure is summarized as follows:



- Other associated companies are: *Nissan Trading Co., Ltd. and *Nissan Real Estate Development Co., Ltd.
- Subsidiaries listed on stock exchanges are as follows:

Nissan Shatai Co., Ltd. -- Tokyo; Aichi Machine Industry Co., Ltd. -- Tokyo, 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, 2003:

Nissan Keihin Service Center Co., Ltd., which is mainly engaged in checking and doing maintenance on vehicles, and Nissan Used Car Center Co., Ltd. which is mainly engaged in sales of used cars and parts, have been excluded from the scope of consolidation. These 2 companies have been newly accounted for by the equity method in order to reflect the changes in the Company's controls and decision-making process over its domestic subsidiaries and affiliates, after considering that their impact on the consolidated financial statements was immaterial.

(2) The following companies have been excluded from the scope of the equity method for the six months ended September 30, 2003:

All investments in shares held by the Company of Hashimoto Forming Co., Ltd., which is mainly engaged in the manufacture and sales of parts for vehicles, were transferred to MH Investment Ltd. on September 18, 2003. Since this transfer, Hashimoto Forming Co., Ltd. has been excluded from the scope of the equity method.

On April 1, 2003, all shares held by the Company of Ooi Seisakusho Co., Ltd., which is mainly engaged in the manufacture and sales of parts for vehicles, were exchanged for shares of Mitsui Metal & Mining Co., Ltd. Since this exchange, Ooi Seisakusho Co., Ltd. has been excluded from the scope of the equity method.

4. Employees

(1) Consolidated Companies

(At September 30, 2003)

Geographical segment	Number of employees
Japan	79,487 (3,873)
North America	16,923 (110)
Mexico	7,941 (0)
Europe	12,335 (192)
Other foreign countries	3,254 (289)
Total	119,940 (4,464)

Note: The above figures represent full-time employees. The figures in parentheses represent part-time employees at September 30, 2003 not included in the number of full-time employees.

(2) The Company

(At September 30, 2003)

Number of employees	31,870 (185)

Note: The above figure represents full-time employees. The figure in parentheses represents part-time employees at September 30, 2003 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

Net sales for the six months ended September 30, 2003 increased by ¥270.8 billion, or 8.2%, to ¥3,556.2 billion over those of same period of the prior year. Operating income for the six months ended September 30, 2003 amounted to ¥401.1 billion, an increase of ¥52.8 billion, or 15.2%, over the corresponding amount for the same period of the prior year. As a result, operating profit as a percentage of net sales improved to 11.3%, from 10.6%, for the six months ended September 30, 2003. This is the highest record for the Group.

Net non-operating expenses for the six months ended September 30, 2003 amounted to ¥10.8 billion, an improvement of ¥14.0 billion from those recorded in the same period of the prior year. This improvement is primarily attributable to the increase in equity in earnings of subsidiaries and affiliates and the decrease in amortization of the net retirement benefit obligation at transition resulting from the return of the substitutional portion of the welfare pension fund plan. As a result, ordinary income for the six months ended September 30, 2003 rose by ¥66.8 billion, or 20.7%, to ¥390.3 billion over the corresponding amount for the same period of the prior year. Net special loss for the six months ended September 30, 2003 amounted to ¥22.2 billion, an compared with the net special income of ¥41.5 billion recorded for the corresponding period of the prior year. This was primarily due to the fact that a one-shot gain on sales of tangible fixed assets was recorded in the same period of the prior year. Finally, income before income taxes and minority interests for the six months ended September 30, 2003 increased by ¥3.1 billion, or 0.8%, to ¥368.1 billion over the corresponding amount recorded for the same period of the prior year. Net income for the six months ended September 30, 2003 decreased by ¥50.0 billion, or 17.4%, to ¥237.7 billion from the corresponding amount recorded for the same period of the prior year, primarily because of the increase in current income taxes.

The operating results by business segment are summarized as follows:

a. Automobile

Net sales (including intersegment sales) in the automobile segment for the six months ended September 30, 2003 grew by ¥265.1 billion, or 8.5%, to ¥3,382.3 billion over those of the same period of the prior year. This resulted primarily from the increase in the number of cars sold and a favorable sales mix.

Operating income for the six months ended September 30, 2003 rose to ¥364.8 billion for an increase of ¥48.7 billion, or 15.4%, over that of the same period of the prior year. This significant rise is primarily attributable to an increase in the number of vehicles sold, a favorable sales mix, and a reduction in purchase costs. These positive factors were, however, partially offset by an increase in expenditures to enrich the product lines and to comply with various regulations on a worldwide basis, as well as by rising research and development costs.

b. Sales Finance

Net sales (including intersegment sales) in the sales finance segment for the six months ended September 30, 2003 decreased by ¥7.4 billion, or 3.8%, to ¥188.5 billion from the corresponding amount for the same period of the prior year. This primarily reflects the change in accounting method for finance leases partly offset by the positive impact of the overall increase in the number of vehicles sold. Operating income rose by ¥8.4 billion, or 29.4%, to ¥37.1 billion over the corresponding amount for the same period of the prior year primarily because of the increase in the number of vehicles sold as well as the lower interest rates.

Operating results by geographic segment are summarized as follows:

a. Japan

- Net sales (including intersegment sales) for the six months ended September 30, 2003 increased by ¥0.8 billion, or 0%, to ¥2,048.8 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2003 increased by ¥19.1 billion, or 11.0%, to ¥193.3 billion over that of the same period of the prior year primarily due to a reduction in purchase costs.

b. North America

- Net sales (including intersegment sales) for the six months ended September 30, 2003 increased by ¥196.4 billion, or 14.2%, to ¥1,580.7 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2003 increased by ¥32.9 billion, or 22.1%, to ¥181.7 billion over that of the same period of the prior year primarily due to the rise in the number of vehicles sold coupled with a favorable sales mix, as well as to a reduction in purchase costs.

c. Europe

- Net sales (including intersegment sales) for the six months ended September 30, 2003 increased by ¥104.8 billion, or 22.1%, to ¥579.4 billion over those of the same period of the prior year.
- Operating income for the six months ended September 30, 2003 amounted to ¥11.6 billion, an improvement of ¥4.6 billion, or 65.8%, over the results for the same period of the prior year. This is attributable to the increase in the number of vehicles sold and to a reduction in purchase costs.

d. Other foreign countries

- Net sales (including intersegment sales) for the six months ended September 30, 2003 decreased by ¥17.7 billion, or 7.8%, to ¥210.5 billion from those of the same period of the prior year.
- Operating income for the six months ended September 30, 2003 decreased by ¥2.0 billion, or 17.5%, to ¥9.3 billion compared with that recorded for the corresponding period of the prior year primarily due to a decrease in the number of vehicles sold in Mexico.

Nissan 180 ("Nissan One-Eighty")

During the six months ended September 30, 2003, which is the middle period of the Nissan 180 Plan ("Nissan One-Eighty"), the Group, guided by consistent management policies, continued its excellent performance despite such severe market factors as the increase in incentives, volatile foreign exchange rates and an overall decrease in the scale of the car market. The Group is steadily proceeding on the right track with its implementation of Nissan 180 and is on target to achieve all its Nissan 180 commitments.

Nissan 180 stipulates three targets to be achieved by the end of fiscal year 2004: to increase the number of automobiles sold during the year ending September 30, 2005 by 1,000,000 units on a global basis compared with corresponding number for fiscal year 2001, to achieve an 8% operating margin, and to reduce interest-bearing debt related to its automobile business to zero.

During the six months ended September 30, 2003, at the mid-point of Nissan 180, the number of cars sold on a global basis reached 1,467 thousand units, an increase of 5.9% over the corresponding number for the same period of the prior year. Consolidated net sales for the six months ended September 30, 2003 increased by 8.2% over the corresponding net sales during same period of the prior year, and consolidated operating income grew to ¥401.1 billion, an increase or 15.2% over the corresponding results for the same period of the prior year. The Group's consolidated net income as a percentage of consolidated net sales for the six months ended September 30, 2003 reached 11.3%. Another noteworthy achievement is that, as of March 31, 2003, the Group met its target of reducing interest-bearing debt related to its automobile business to zero.

Sales

Despite the extremely severe market conditions noted above, the number of automobiles sold on a global basis amounted to 1,467 thousand units, which represents a solid growth in unit sales of 5.9% over the same period of the prior year.

The scale of the automobile market in Japan, the United States, Mexico and all other countries except for the People's Republic of China has contracted. Competition has become severe in terms of sales incentives especially in the United States where sales incentives stand at their highest level in history. Despite these market conditions, the Group has successfully increased the number of units sold primarily due to the attractive new vehicles launched. Of the 28 models planned for release during the Nissan 180 period, 12 were released in fiscal year 2002 and contributed substantially to the increase in the number of cars sold. Ten models were scheduled to be released during fiscal year 2003 and eight of these models have already been launched.

Sales by geographic segment are summarized as follows:

Japan

Although the size of the Japanese car market has shrunk by 1.3%, the number of Nissan automobiles (including light passenger vehicles) sold in Japan increased to 383 thousand units, an increase of 0.9% over the same period of the prior year. The number of cars registered (excluding light vehicles) for the six months ended September 30, 2003 increased by 3.7%, to 369 thousand units.

Several measures to renew and enrich Nissan's product lineup during the three-year period under Nissan 180 have resulted in a visual effect which characterizes the new models' appearance in towns. Currently, three types of light vehicles are available and the product lineup in the entry level segment has been enriched by the launch of the "March" and the "Cube." The "Cube Cubic" fits the role of bridging the entry level segment and the minivan segment. The launch of the "Cube Cubic" was so successful that, in the monthly sales ranking by model, the "Cube" was ranked number two within only one month of its release.

In addition, Nissan was able to claim a position as one of the key players in the minivan segment by launching the "Presage," a new minivan model, in July 2003. The number of "Presage" units sold during the three months after its release reached as high as 8.7 times the corresponding figure for the same period of the prior year.

Nissan's domestic market share for automobiles (excluding light vehicles) for the six months ended September 30, 2003 was 19.4%. Thus, the Company has been making steady progress towards achieving its goal under Nissan 180, which is to increase the number of automobiles sold in Japan by 300 thousand units.

The United States

The number of automobiles sold in the United States for the six months ended September 30, 2003 amounted to 420 thousand units, an increase of 11.0% over the same period of the prior year. The Company's market share grew to 4.7%, an improvement of 0.5%, and net sales are expanding in both the Nissan and Infinity channels.

The number of cars sold in the USA through the Nissan channel increased by 6.3% over the corresponding amount for the prior year. This was mainly driven by new models such as the "Quest," a newly launched minivan, and the "Murano," a new crossover vehicle, and such exiting models as the "Altima," the "Maxima" and the "350Z" whose sales continue to be strong.

The number of cars sold in the USA through the Infinity channel increased by 39.7% over the corresponding amount for the prior year, which is the highest on record for this channel. This achievement is primarily attributable to the attractive and competitive new sports sedan coupes called the "G35" and the "FX45." These new models demonstrate the Nissan Group's ability to launch dynamically excellent new models into this market. The significant increase in the number of cars sold reflects the fact that Nissan vehicles are highly regarded in the market and this figure was not manipulated by increasing the sales incentives offered.

Europe

The number of automobiles sold in Europe for the six months ended June 30, 2003 totaled 267 thousand units, an increase of 6.6% over that of the same period of the prior year. Correspondingly, Nissan's market share improved by 0.2% from the same period of the prior year to 2.7%.

The number of "Micra" models sold in Europe during the first six months after its launch (from January 2003 to June 2003) and the figure for the first nine months after the launch (from January 2003 to September 2003) reached 80 thousand units and 126 thousand units, respectively, which represents an increase of 51% over the corresponding numbers for the same period of the prior year. These numbers were much higher than those originally forecasted. The annual production capacity for the "Micra" at the Sanderland Plant in the United Kingdom, which was given an award for being one of the most productive automobile manufacturing plants in Europe for seven years in a row, rose 25%, to 200 thousand units per year.

In addition, European sales of SUVs and four-wheel-drive vehicles were also brisk during the six months ended June 30, 2003. In particular, sales of the "X-TRAIL" and the "Pickup Truck" increased by 46% and 37%, respectively, over the corresponding figures for the same period of 2002.

Other Foreign Countries and Global Outlook

Sales in other foreign countries, including Mexico and Canada, remained satisfactory and the number of automobiles sold in these countries amounted to 393 thousand units, an increase of 5.3% over the same period of the prior year. In particular, the number of cars sold in the People's Republic of China, Taiwan, and Australia showed significant growth; however, the number of vehicles sold in Mexico decreased.

We expect that the number of vehicles sold on a global basis for the year ending March 31, 2004 will reach 3,040 thousand units, an increase of 9.7% over the corresponding sales figure for 2003. If this is realized, the number of cars sold per year will exceed 3 million for the first time in the Company's history and this represents a significant milestone in achieving our commitment under Nissan 180 to increase the number of vehicles sold by 1 million units.

(2) Cash Flows

Cash and cash equivalents at September 30, 2003 decreased by ¥109.4 billion, or 40.5%, to ¥160.5 billion from the corresponding balance at March 31, 2003. This decline is mainly attributable to the net effect of the increase in cash flows from operating activities mainly reflecting income before income taxes and minority interests of ¥368.1 billion for the current period, the decrease in cash flows used in financing activities, and the increase in cash flows used in investing activities.

Cash Flows from Operating Activities

Cash flows provided by operating activities for the six months ended September 30, 2003 decreased slightly by ¥18.3 billion, or 6.8%, to ¥252.8 billion from those for the same period of the prior year. This principally reflects the increase in income before income taxes and minority interests, the increase in trade receivables and the increase in cash outflows from sales finance receivables from our sales finance subsidiaries.

Cash Flows from Investing Activities

Cash flows used in investing activities for the six months ended September 30, 2003 increased by ¥181.4 billion, or 105.3%, to ¥353.7 billion over those for the same period of the prior year. This significant rise in investments is primarily attributable to the increase in cash outflows arising from the acquisition of tangible fixed assets and the decrease in cash inflows from sales of tangible fixed assets.

Cash Flows from Financing Activities

Cash flows used in financing activities for the six months ended September 30, 2003 decreased by ¥118.0 billion, or 92.7%, to ¥9.3 billion from those used in financing activities for the same period of the previous year. This resulted mainly from the net effect of the increase in cash outflows from the acquisition of treasury stock and from the repayment of lease obligations coupled with the increase in cash inflows from borrowings by sales finance subsidiaries.

2. Production, Orders Received and Sales

(1) Actual Production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior first half year	Current first half year		
Japan	681,559	724,583	43,024	6.3
The United States	205,318	268,418	63,100	30.7
Mexico	176,788	155,834	△20,954	△11.9
The United Kingdom	165,272	168,476	3,204	1.9
Spain	41,438	59,772	18,334	44.2
South Africa	13,518	14,275	757	5.6
Indonesia	–	2,665	2,665	–
Total vehicles	1,283,893	1,394,023	110,130	8.6

Notes: 1. The figures for the current first half year represent vehicles produced during the six months ended September 30, 2003 with respect to Japan and the United States. Those produced in the other five countries represent production figures for the six months ended June 30, 2003.

2. The above numbers do not include forklift production data.

(2) Orders Received

Information on orders received has been omitted as the products which are manufactured after the related orders are received are immaterial to the Group's results.

(3) Actual Sales

Sales to	Number of vehicles sold on a consolidated basis (units)		Change (units)	Change (%)
	Prior first half year	Current first half year		
Japan	376,902	370,777	△6,125	△1.6
North America	501,837	548,532	46,695	9.3
Europe	226,178	260,369	34,191	15.1
Other overseas countries	180,484	185,594	5,110	2.8
Total	1,285,401	1,365,272	79,871	6.2

Notes: 1. The figures for the current first half year represent vehicles sold during the six months ended September 30, 2003 in Japan and North America (excluding Mexico). Those sold in Mexico, Europe and in the other overseas countries represent sales figures for the six months ended June 30, 2003.

2. The above numbers do not include forklift sales data.

3. Issues and Outlook for the Fiscal Year Ahead

There have been no significant changes in issues or in our outlook during the six months ended September 30, 2003.

4. Important Business Contracts

No important new business contracts were entered into during the six months ended September 30, 2003.

5. Research and Development Activities

(1) Basic Policies for Research and Development Activities

The Nissan Group has been conducting research and development activities to create competitive products and technologies by making the maximum use of its research and development capabilities and by developing strategies to strengthen these in the future.

Our research and development activities are based on the following objectives:

① To concentrate on producing "innovative vehicles" in response to market demands;

② To allocate sufficient resources to research and development projects in order to improve our technology and to remain competitive in the automotive market; and

③ To become the most cost-efficient company in our sector while maintaining the highest level of quality.

(2) Description of Research and Development Costs and Activities

Research and development costs incurred by the Nissan Group amounted to ¥162.5 billion for the six months ended September 30, 2003.

The Nissan Group’s research and development organization and the results of our activities are summarized as follows.

The Nissan Group’s domestic research and development organization includes the Nissan Technical Center (Atsugi-shi, Kanagawa) which plays a leading role in planning, designing and developing new products, the Nissan Research Center (Yokosuka-shi, Kanagawa) which conducts fundamental and applied research activities, and various proving grounds located in Hokkaido, Tochigi and Kanagawa Prefectures. In addition, in March 2003, the Company acquired a parcel of land formerly occupied by Atsugi Collage of Aoyama Gakuin University which is geographically close to the Nissan Technical Center. This land is now occupied by the Nissan Advanced Technology Center which is currently under construction and is expected to be a key base for early stage development.

Certain significant 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 various passenger car models and commercial vehicles. Nissan Diesel Motor Co., Ltd., Aichi Machine Industry Co., Ltd., Nissan Kohki Co., Ltd. and JATCO Co. Ltd. are in charge of the development of certain engines and transmissions.

Research and development activities conducted in Japan during the six months ended September 30, 2003 resulted in the launch of the “Cube^3” (“Cube Cubic”) and the “Clipper,” light commercial vehicles, in full model changes to the “Presage,” and in minor enhancements to the “Caravan,” the “X-TRAIL,” the “Primera Sedan/Wagon” as well as to the “Expert” and the “Cima.”

The Group companies have attempted to share parts and to reduce the number of parts used in order to lower manufacturing costs. In addition, they have developed many new products and systems.

The Nissan Group operates Nissan Technical Center North America, Inc. which plans and designs vehicles, and Nissan Design America, Inc. which designs vehicles. These centers are jointly developing the “Altima,” the “Sentra,” the “Frontier” (known as the “Datsun” in Japan), the “Xterra,” the “Maxima,” the “Titan,” the “Pathfinder Almada,” the “Infinity FX45” and the “Quest.”

In Europe, Nissan Technical Center Europe Ltd., which has operations in the United Kingdom, Belgium and Spain, is developing a variety of models for Europe such as the “Primera,” the “Almera,” and the “Micra” (known as the “March” in Japan) and the “Terrano II,” a small four-wheel-drive vehicle, as well as other models. Nissan Design Europe Ltd. in the United Kingdom was established as a base for planning and designing vehicles to strengthen the Group’s design capabilities.

In addition, Nissan and Renault, business alliance partners since fiscal year 1999, are proceeding jointly to unify their platforms and powertrains and to develop advanced technologies and research technologies. Both companies can thus benefit from a dramatic improvement in their research and development capabilities.

The Nissan Group has steadily made comprehensive efforts to protect the global environment by developing technologies to clean the exhaust fumes emitted by vehicles and to reduce carbon dioxide as well as by developing clean energy vehicles and recycling resources. Currently, sales of "ultra low emission vehicles" account for more than 85% of the gasoline-powered vehicles sold in Japan. The "XTRONIC CVT" series vehicles, which can achieve both smooth acceleration and high fuel efficiency are now available with 3.5 liter engines and as "front engine and front drive" vehicles. The new "Presage" and the "Cube Cubic" have now been equipped with this technology. In terms of recycling, Nissan has developed a new technology to burn automobile shredder residue in the recycling furnace at our Oppama Plant and announced that this technology would be put into operation effective the autumn of 2003. The Company is continuing to make every effort to extend this technology all over the world, to improve efficiency in recycling, and to develop new models which can easily be recycled. To make our efforts to protect the global environment more transparent and fair, in 1998, the Company acquired an ISO 14001 certificate for our environment management system. Our ISO 14001 efforts covered not only product development processes but also operating activities, and in fiscal year 2002, an expanded ISO 14001 certificate was awarded to our Technical Center as a global base for product development. As a result, our ISO 14001 registration has been changed from "product development process" to "technical center." We will strive to develop world-class efficient environmental protection technologies and, as a responsible member of the global community, to reduce the impact of pollution on the environment.

In terms of safety, the Company has set a target to "Halve the number of fatalities and/or injuries in accidents involving Nissan vehicles." Under our basic policy to implement effective safety measures which was developed based on actual accidents, Nissan has taken the initiative in increasing the number of models which now incorporate a variety of safety-enhancing technologies. As part of this program, Nissan has implemented in the "Cima" and "President" models, the "Intelligent Brake Assist" and the "Brake operated pre-crash seatbelt," one of the most advanced precrash safety systems which can warn the driver when the risk of a crash becomes high and can activate the relevant safety equipment when a crash is inevitable. The "Cima" and the "President" have also been equipped with the new "Active AFS" system, which automatically adjusts headlights based on the steering angle and the vehicle ground speed to improve visibility during night driving.

With respect to the IT area, a comprehensive system of telematics called "Car Wings" has been pioneered and Nissan has increased the number of models in which "Car Wings" are installed. In addition, the functions of Car Wings are continuously being enhanced. In June 2003, Nissan and Suzuki Motor Co., Ltd. ("Suzuki") entered into an agreement for sales of Car Wings services to Suzuki's users.

Our Decard Plant in the United States has started to manufacture new 5.6 liter V8 engines "VK56DE" which will be used for a full-sized sports utility vehicle named the "Pathfinder Almada" which will be manufactured at our Canton Plant.

Our initiatives for research and development have been highly recognized and these efforts resulted in our being chosen as the recipient of various awards from the Society of Automotive Engineers of Japan in the following categories: "Study of Clean Emission Technology based on Engine Intake/Exhaust System Simulations," "An Investigation on Automatic Path Tracking Using Extended Kalman Filter" and "A development of the motor-assist 4 wheel-drive system "e・4WD."

The Nissan Group will always be actively involved in research and development activities designed to launch new and highly competitive products on the market and to pioneer advanced technologies for the future.

III. Property, Plant and Equipment

1. Property, Plant and Equipment

No changes were made to the significant items of property, plant and equipment of the Group (the Company and its consolidated subsidiaries) for the six months ended September 30, 2003.

2. Plans for New Additions or Disposal

During the six months ended September 30, 2003, no changes were made to the plans as of March 31, 2003 for new additions or disposal of major property, plant and equipment of the Group (the Company and its consolidated subsidiaries).

IV. Corporate Information

1. Information on the Company's Shares

(1) Number of Shares and Other

① Number of Shares

Type of stock	Number of authorized shares
Common stock	6,000,000,000

② Number of Shares in Issue

Type of stock	Number of shares in issue		Stock exchanges on which the Company is listed.	Description of shares
	As of September 30, 2003	As of December 18, 2003 (filing date of the securities report)		
Common stock	4,520,715,112	4,520,715,112	First section of the Tokyo Stock Exchange	–

Note: The number of shares of common stock in issue as of the filing date does not include those issued upon the exercise of stock subscription rights (including the conversion of convertible bonds and the exercise of warrants) for the period from December 1, 2003 through the filing date of this report.

(2) Status of Stock Subscription Rights

The Company has issued stock purchase warrants based on Article 341-8 of the Commercial Codeof Japan before amendments. The details of these stock purchase warrants are as follows:

First Unsecured Bonds with Stock Purchase Warrants (Issued on June 25, 1999)

	As of the first half year end (September 30, 2003)	As of the end of the most recent month before the filing of the securities report (November 30, 2003)
Balance of stock purchase warrants (Millions of yen)	¥ 7	¥ 45
Exercise price (Yen)	¥554	¥554
Amount per share to be credited to the common stock account (Yen)	¥277	¥277

Euro-Yen Bonds with Stock Purchase Warrants Due 2006 (Issued on March 27, 2000)

	As of the first half year end (September 30, 2003)	As of the end of the most recent month before the filing of the securities report (November 30, 2003)
Balance of stock purchase warrants (Millions of yen)	¥10,816	¥10,571
Exercise price (Yen)	¥ 429	¥ 429
Amount per share to be credited to the common stock account (Yen)	¥214.50	¥214.50

Euro-Yen Bonds with Stock Purchase Warrants Due 2007 (Issued on March 8, 2001)

	As of the first half year end (September 30, 2003)	As of the end of the most recent month before the filing of the securities report (November 30, 2003)
Balance of stock purchase warrants (Millions of yen)	¥21,689	¥21,328
Exercise price (Yen)	¥ 764	¥ 764
Amount per share to be credited to the common stock account (Yen)	¥ 382	¥ 382

Euro-Yen Bonds with Stock Purchase Warrants Due 2008 (Issued on March 14, 2002)

	As of the first half year end (September 30, 2003)	As of the end of the most recent month before the filing of the securities report (November 30, 2003)
Balance of stock purchase warrants (Millions of yen)	¥52,800	¥52,800
Exercise price (Yen)	¥ 880	¥ 880
Amount per share to be credited to the common stock account (Yen)	¥ 440	¥ 440

The Company has issued stock options based on Articles 280-20 and 280-21 of the Commercial Code of Japan.

	As of the first fiscal year end (September 30, 2003)	As of the end of the most recent month before the filing of the securities report (November 30, 2003)
Number of options	124,300 units	124,300 units
Nature of shares	Shares of common stock	Shares of common stock
Number of shares	12,430,000 shares	12,430,000 shares
Exercise price	¥93,200 (¥932 per share)	¥93,200 (¥932 per share)
Period of exercise	From May 8, 2005 to May 8, 2010	From May 8, 2005 to May 8, 2010
Issuance price of shares and amount to be incorporated in capital	Issuance price: ¥932 Amount to be incorporated in capital: ¥466	Issuance price: ¥932 Amount to be incorporated in capital: ¥466
Conditions of exercise	*	*
Transfer of options	Approval of the Company's Board of Directors is required.	Approval of the Company's Board of Directors is required.

* 1 Those whom stock options are granted must remain employees or directors of the Company, subsidiaries or affiliates until the beginning of the exercise period.
2 The Company must achieve its targeted results.
3 Each individual with vested stock option rights achieve his (or her) commitments.

The details of the three conditions above and certain other conditions are more fully defined in the "Stock Option Allocation Agreement" concluded between the Company and each individual.

(3) Changes in Number of Shares in Issue and Amount of Paid-in Capital

Periods	Changes in the number of shares in issue (Thousands)	Balance of shares in issue (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in additional paid-in capital (Millions of yen)	Balance of additional paid-in capital (Millions of yen)
From April 1, 2003 to September 30, 2003	0	4,520,715	¥0	¥605,813	¥0	¥804,470

(4) Principal Shareholders

(As of September 30, 2003)

Shareholders	Address	Number of shares held (Thousands)	%
Renault (Standing agent: Bank of Tokyo-Mitsubishi)	13-15 Quai Le Gorot, 92100 Boulogne Billancourt, France (2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	2,004,000	44.33
Japan Trustee Services Bank Ltd. (Trust account)	1-8-11 Harumi Chuo-ku, Tokyo	224,432	4.96
The Master Trust Bank of Japan Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	174,155	3.85
Nissan Motor Co.Ltd.	2 Takaracho Kanagawa-ku, Yokohama-shi, Kanagawa	102,799	2.27
The Dai-ichi Mutual Life Insurance Company (Standing agent: Trust & Custody Service Bank, Ltd.)	1-13-1 Yurakucho Chiyoda-ku, Tokyo (Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo)	86,957	1.92
Nippon Life Insurance Company	1-2-2 Yurakucho, Chiyoda-ku, Tokyo	79,839	1.77
The Chase Manhattan Bank N.A. London S.L. Omnibus Account (Standing agent: Mizuho Corporate Bank)	Woolgate House, Coleman Street, London, UK (6-7 Nihonbashi-Kabutocho Chuo-ku, Tokyo)	66,376	1.47
UFJ Trust Bank Ltd. (Trust account A)	1-4-3 Marunouchi, Chiyoda-ku, Tokyo	65,429	1.45
Sompo Japan Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	63,528	1.41
Moxley & Co. (Standing agent: Mizuho Corporate Bank)	23, Wall Street, New York, New York, 10015 USA (6-7 Nihonbashi-Kabutocho, Chuo-ku, Tokyo)	60,803	1.34
Total		2,928,322	64.78

(5) Status of Voting Rights

① Shares in Issue

(As of September 30, 2003)

Classification	Number of shares (Even)	Number of voting rights (Even)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 102,799,300	–	–
	(Crossholding stock) Common stock 1,388,200	–	–
Shares with full voting rights (Others)	Common stock 4,415,549,300	44,155,493	–
Shares under one unit	Common stock 978,312	–	–
Total shares issued	4,520,715,112	–	–
Total voting rights	–	44,155,493	–

Notes: 1. Included in "Shares with full voting rights (Others)" are 61,500 shares held under the names of custodians and 2,000 shares held under the name of Nissan, but effectively held by others.

2. Shares under one unit include 19 shares of treasury stock and 151 shares of crossholding stock.

Crossholding Stock under One Unit

(As of September 30, 2003)

Shareholders	Number of shares	Shareholders	Number of shares
Toyama Nissan Motor Co., Ltd.	99	Calsonic Kansei Corporation	22
Kai Nissan Motor Co., Ltd.	30	Total	151

② Treasury Stock, etc.

(As of September 30, 2003)

Shareholders	Address of holders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
					%
(Treasury stock)					
Nissan Motor Co., Ltd.	2 Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa	102,799,300	0	102,799,300	2.27
(Crossholding stock)					
Calsonic Kansei Corporation	5-24-15 Minamidai, Nakano-ku, Tokyo	1,049,900	0	1,049,900	0.02
Utsunomiya Nissan Motor Co., Ltd.	575 Nishihara-cho, Utsunomiya-shi, Tochigi	103,400	0	103,400	0.00
Yokoki Manufacturing Co., Ltd.	555 Imai-cho, Hodogaya-ku, Yokohama-shi, Kanagawa	200	79,700	79,900	0.00
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	28,600	48,500	77,100	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	37,800	23,500	61,300	0.00
Nissan Prince Kagawa Sales Co. Ltd.	1037 Ikuno-cho, Zentsuji-shi, Kagawa	0	6,500	6,500	0.00
Toyama Nissan Motor Co., Ltd.	11-46 Nishi-Shinjo, Toyama-shi, Toyama	5,100	0	5,100	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	0	4,800	4,800	0.00
Total		104,024,300	163,200	104,187,500	2.30

Notes: 1. The shares included in “Number of shares held under the names of others” represent those held by Nissan’s crossholding share association (address: 6-17-1 Ginza, Chuo-ku, Tokyo). (Fractional figures under 100 have been omitted.)

2. Included in the number of shares based on the shareholders’ register are 2,000 shares (20 voting rights) which the Company does not effectively own. These shares are included in “Shares with full voting rights (Others)” in the above table entitled “Number of Shares in Issue.”

2. Changes in the Market Prices of the Company’s Shares

The highest and lowest prices for each month during the six months ended September 30, 2003 were as follows:

Month	April 2003	May	June	July	August	September
Highest (Yen)	¥915	¥945	¥1,149	¥1,287	¥1,302	¥1,455
Lowest (Yen)	¥776	¥763	¥940	¥1,132	¥1,148	¥1,187

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 have been 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.

V. Financial Information

1. Basis of Preparation

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

   The semiannual consolidated financial statements for the six months ended September 30, 2002 were prepared in accordance with "Regulations for Semiannual Consolidated Financial Statements" before the amendment, and those for the six months ended September 30, 2003 have been prepared in accordance with "Regulations for Semiannual Consolidated Financial Statements" after the amendment.

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, 2002 to September 30, 2002) and the semiannual consolidated financial statements for the current period (from April 1, 2003 to September 30, 2003) have been audited by Shin Nihon & Co.

1. Semiannual Consolidated Financial Statements

(1) Semiannual Consolidated Financial Statements

① Consolidated Balance Sheets

Accounts	Notes	As of September 30, 2002 Amounts (Millions of yen)		Ratio (%)	As of September 30, 2003 Amounts (Millions of yen)		Ratio (%)	As of March 31, 2003 Amounts (Millions of yen)		Ratio (%)
Assets										
I Current assets										
1 Cash on hand and in banks	*3		249,766			158,630			268,433	
2 Trade notes and accounts receivable			475,753			512,326			501,127	
3 Sales finance receivables	*3		1,738,354			2,089,263			1,896,953	
4 Marketable securities			–			2,409			1,420	
5 Inventories			564,114			572,036			543,608	
6 Deferred tax assets			162,456			217,793			176,571	
7 Other current assets			327,672			291,308			381,642	
8 Allowance for doubtful receivables			△65,729			△68,552			△69,697	
Total current assets			3,452,386	49.5		3,775,213	48.7		3,700,057	50.3
II Fixed assets										
1 Property, plant and equipment	*1 *3									
(1) Buildings and structures		536,712			523,430			522,835		
(2) Machinery, equipment and vehicles	*2	1,172,733			1,231,369			1,195,085		
(3) Land		785,186			775,008			782,009		
(4) Other		344,421	2,839,052		624,213	3,154,020		489,405	2,989,334	
2 Intangible fixed assets			36,369			64,549			42,000	
3 Investments and other assets										
(1) Investment securities		288,267			357,696			267,046		
(2) Long-term loans receivable		14,249			13,925			14,099		
(3) Deferred tax assets		226,474			138,041			191,262		
(4) Other assets		120,884			251,199			145,467		
(5) Allowance for doubtful receivables		△1,926	647,948		△3,636	757,225		△2,219	615,655	
Total fixed assets			3,523,369	50.4		3,975,794	51.3		3,646,989	49.6
III Deferred charges										
Discounts on bonds			2,408			1,865			2,137	
Total deferred charges			2,408	0.1		1,865	0.0		2,137	
Total assets			6,978,163	100.0		7,752,872	100.0		7,349,183	100.0

Accounts	Notes	As of September 30, 2002 Amounts (Millions of yen)	Ratio (%)	As of September 30, 2003 Amounts (Millions of yen)	Ratio (%)	As of March 31, 2003 Amounts (Millions of yen)	Ratio (%)
Liabilities							
I Current liabilities							
1 Trade notes and accounts payable		617,958		710,367		656,411	
2 Short-term borrowings and import bills payable	*3	536,389		820,616		568,931	
3 Current portion of long-term borrowings	*3	643,574		504,829		657,517	
4 Current portion of bonds		93,888		300,980		88,774	
5 Deferred tax liabilities		4		381		6	
6 Accrual for warranty costs		–		35,393		–	
7 Lease obligations		–		64,848		–	
8 Other current liabilities		879,474		918,051		950,179	
Total current liabilities		2,771,287	39.7	3,355,465	43.3	2,921,818	39.8
II Long-term liabilities							
1 Bonds and debentures		834,233		623,686		778,160	
2 Long-term borrowings	*3	720,439		747,142		825,086	
3 Deferred tax liabilities		230,561		261,136		262,459	
4 Accrual for warranty costs		151,526		116,018		154,582	
5 Accrual for losses on business restructuring		41,498		–		0	
6 Accrued retirement benefits		412,113		472,371		433,266	
7 Lease obligations		–		88,317		–	
8 Other long-term liabilities		66,656		92,887		77,057	
Total long-term liabilities		2,457,026	35.2	2,401,557	31.0	2,530,610	34.4
Total liabilities		5,228,313	74.9	5,757,022	74.3	5,452,428	74.2
Minority interests							
Minority interests		85,935	1.3	96,757	1.2	88,451	1.2
Shareholders' equity							
I Common stock		604,559	8.6	605,814	7.8	605,814	8.2
II Capital surplus		803,215	11.5	804,470	10.4	804,470	10.9
III Retained earnings	*4	689,355	9.9	1,035,913	13.4	878,655	12.0
IV Unrealized holding gain on securities		2,072	0.0	3,703	0.0	1,831	0.0
V Translation adjustments		△313,396	△4.5	△330,171	△4.3	△320,276	△4.3
VI Treasury stock		△121,890	△1.7	△220,636	△2.8	△162,190	△2.2
Total shareholders' equity		1,663,915	23.8	1,899,093	24.5	1,808,304	24.6
Total liabilities, minority, interests and shareholders' equity		6,978,163	100.0	7,752,872	100.0	7,349,183	100.0

② Consolidated Statements of Income and Retained Earnings/Consolidated Statements of Income

Accounts	Notes	For the six months ended September 30, 2002 Amounts (Millions of yen)		Ratio (%)	For the six months ended September 30, 2003 Amounts (Millions of yen)		Ratio (%)	For the year ended March 31, 2003 Amounts (Millions of yen)		Ratio (%)
I Net sales			3,285,463	100.0		3,556,249	100.0		6,828,588	100.0
II Cost of sales			2,350,751	71.6		2,510,550	70.6		4,872,324	71.4
Gross profit			934,712	28.4		1,045,699	29.4		1,956,264	28.6
III Selling, general and administrative expenses										
1 Advertising expenses		85,557			123,251			180,619		
2 Provision for accrual for warranty costs		11,695			16,832			25,148		
3 Other selling expenses		104,403			127,459			227,564		
4 Salaries and wages		186,463			171,027			384,451		
5 Retirement benefit expenses		20,079			20,728			30,997		
6 Provision for doubtful receivables		17,520			18,041			35,719		
7 Other		160,696	586,413	17.8	167,229	644,567	18.1	334,536	1,219,034	17.8
Operating income			348,299	10.6		401,132	11.3		737,230	10.8
IV Non-operating income										
1 Interest and dividend income		4,865			6,230			8,520		
2 Equity in earnings of affiliates		527			8,284			11,395		
3 Exchange gain		5,407			3,990			18,318		
4 Miscellaneous income		7,378	18,177	0.5	9,608	28,112	0.8	22,537	60,770	0.9
V Non-operating expenses										
1 Interest expense		12,827			14,610			25,060		
2 Amortization of net retirement benefit obligation at transition		12,075			7,299			23,923		
3 Revaluation loss arising from general price-level accounting		1,962			1,322			5,506		
4 Miscellaneous expenses		16,112	42,976	1.3	15,667	38,898	1.1	33,442	87,931	1.3
Ordinary income			323,500	9.8		390,346	11.0		710,069	10.4

		For the six months ended September 30, 2002			For the six months ended September 30, 2003			For the year ended March 31, 2003		
Accounts	Notes	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)	Amounts (Millions of yen)		Ratio (%)
VI Special gains										
1 Gain on sales of property, plant and equipment	*1	62,959			5,180			70,322		
2 Gain on sales of investment securities		3,573			1,744			9,199		
3 Other		4,433	70,965	2.2	2,845	9,769	0.3	9,722	89,243	1.3
VII Special losses										
1 Loss on disposal of property, plant and equipment		5,639			6,785			15,587		
2 Write-down of investments and receivables		1,200			–			1,440		
3 Special claim		11,400			–			11,400		
4 Prior-period adjustments	*2	–			16,399			1,415		
5 Other		11,218	29,457	0.9	8,826	32,010	0.9	74,846	104,688	1.5
Income before income taxes and minority interests			365,008	11.1		368,105	10.4		694,624	10.2
Corporate, inhabitants' and enterprise taxes		46,599			106,984			113,185		
Income taxes - deferred		32,657	79,256	2.4	18,258	125,242	3.5	85,513	198,698	2.9
Income attributable to minority interests			–	–		5,183	0.2		761	0.0
Loss attributable to minority interests			1,953	0.1		–	–		–	–
Net income			287,705	8.8		237,680	6.7		495,165	7.3

③ Consolidated Statements of Retained Earnings

		For the six months ended September 30, 2002		For the six months ended September 30, 2003		For the year ended March 31, 2003	
Accounts	Notes	Amounts (Millions of yen)		Amounts (Millions of yen)		Amounts (Millions of yen)	
Capital surplus							
I Capital surplus at beginning of the period					804,470		
Capital surplus at beginning of the period		803,212	803,212			803,212	803,212
II Increase in capital surplus							
Increase due to conversion of convertible bonds of the Company		3	3	–	–	1,258	1,258
III Capital surplus at end of the period			803,215		804,470		804,470
Retained earnings							
I Retained earnings at beginning of the period					878,655		
Consolidated retained earnings at beginning of the period		430,751	430,751			430,751	430,751
II Increase in retained earnings							
1 Net income		287,705		237,680		495,165	
2 Increase due to inclusion in consolidation		–		226		–	
3 Increase due to exclusion from consolidation		309		–		–	
4 Increase due to decrease in affiliates accounted for by the equity method		–		–		112	
5 Revaluation reserve resulting from adoption of price-level accounting by consolidated subsidiaries		8,237	296,251	2,724	240,630	14,464	509,741
III Decrease in retained earnings							
1 Dividends		33,976		41,656		50,800	
2 Bonuses to directors and corporate auditors		407		410		407	
3 Decrease in number of affiliates accounted for by the equity method		3,245		4,402		7,966	
4 EFITS		–		30,684		–	
5 Loss on disposal of treasury stock		19	37,647	6,220	83,372	2,664	61,837
IV Retained earnings at end of the period			689,355		1,035,913		878,655

④ Consolidated Statements of Cash Flows

Accounts	Notes	For the six months ended September 30, 2002 Amounts (Millions of yen)	For the six months ended September 30, 2003 Amounts (Millions of yen)	For the year ended March 31, 2003 Amounts (Millions of yen)
I Cash flows from operating activities				
Income before income taxes and minority interests		365,008	368,105	694,624
Depreciation and amortization		190,935	223,719	371,125
Increase (decrease) in allowance for doubtful receivables		△1,606	3,394	△503
Write-downs of investments		343	–	769
Interest and dividend income		△4,865	△6,230	△8,520
Interest expense		44,206	40,272	80,255
Gain on sales of property, plant and equipment		△60,744	△4,303	△58,796
Loss on disposal of property, plant and equipment		5,639	6,785	15,587
(Gain) loss on sales of investment securities		△2,236	△1,180	△4,324
Decrease in trade notes and accounts receivable		67,576	△15,890	44,989
Increase in sales finance receivables		△139,014	△260,249	△327,357
Decrease (increase) in inventories		△51,332	△41,751	△28,404
(Decrease) increase in trade notes and accounts payable		△35,744	33,519	36,877
Amortization of net retirement benefit obligation at transition		12,075	7,299	23,923
Retirement benefit expenses		34,680	40,175	100,629
Retirement benefit payments made against related accrual		△34,040	△35,535	△86,917
Payments for business restructuring costs made against related accrual		△2,437	–	△4,644
Other		△24,644	△28,754	△77,897
Subtotal		363,800	329,376	771,416
Interest and dividends received		4,702	5,664	8,238
Interest paid		△45,603	△41,749	△80,902
Income taxes paid		△51,793	△40,526	△123,374
Net cash provided by operating activities		271,106	252,765	575,378
II Cash flows from investing activities				
Net decrease in short-term investments		112	1,241	789
Purchases of fixed assets		△113,117	△168,750	△377,929
Proceeds from sales of property, plant and equipment		65,098	21,692	98,699
Acquisition of leased vehicles		△265,777	△272,289	△483,704
Proceeds from sales of leased vehicles		142,971	118,513	259,075
Decrease in long-term loans receivable		8,820	2,942	13,097
Increase in long-term loans receivable		△543	△2,253	△11,343
Purchases of investment securities		△29,478	△56,497	△32,053
Proceeds from sales of investment securities		15,105	3,752	45,263
Proceeds from sales of subsidiaries' stock resulting in changes in scope of consolidation		7,468	–	8,395
Additional acquisition of shares of consolidated subsidiaries		△692	△330	△692
Other		△2,275	△1,741	△34,971
Net cash used in investing activities		△172,308	△353,720	△515,374

		For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
Accounts	Notes	Amounts (Millions of yen)	Amounts (Millions of yen)	Amounts (Millions of yen)
III Cash flows from financing activities				
Net (decrease) increase in short-term borrowings		△99,862	237,079	△54,310
Increase in long-term borrowings		228,974	185,662	534,053
Increase in bonds and debentures		85,000	104,792	85,000
Repayment or redemption of long-term debt		△292,861	△381,485	△524,115
Purchases of treasury stock		△8,889	△72,981	△58,383
Proceeds from sales of treasury stock		40	7,568	5,670
Repayment of lease obligations		△5,745	△47,159	△9,879
Cash dividends paid		△33,976	△41,656	△50,800
Other		–	△1,134	–
Net cash used in financing activities		△127,319	△9,314	△72,764
IV Effects of exchange rate changes on cash and cash equivalents		△3,732	1,466	654
V Decrease in cash and cash equivalents		△32,253	△108,803	△12,106
VI Cash and cash equivalents at beginning of the period		279,653	269,817	279,653
VII Increase due to inclusion in consolidation		2,297	310	2,297
VIII Decrease due to exclusion from consolidation		△4	△871	△27
IX Cash and cash equivalents at end of the period	*1	249,693	160,453	269,817

Significant Accounting Policies

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
1. Scope of Consolidation (1) Number of consolidated companies 286 • Domestic companies 198 Sales companies for vehicles and parts: Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Satio Osaka, Nissan Prince Tokyo Motor Sales, Nissan Parts Tokyo Kanagawa Sales and 170 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Co., Ltd., and 2 others Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autec Japan Co., Ltd., and 15 other companies • Foreign companies 88 Nissan North America, Inc., Nissan Europe N.V., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 84 other companies Diamondmatic Co., Ltd. which became a subsidiary upon acquisition of the shares, and Nissan Auto Receivables Finance Co., Ltd., a newly established subsidiary, have been consolidated. Three companies such as Nissan Indonesia, which were accounted for by the equity method in the prior year have been consolidated because their importance has increased. Fourteen companies such as Sashin Tokyo Shoji Co., Ltd. were liquidated. Two companies such as Rhythm Co., Ltd. were sold, became unrelated parties, and consequently have been excluded from consolidation.	1. Scope of Consolidation (1) Number of consolidated companies 204 • Domestic companies 114 Sales companies for vehicles and parts: Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Satio Osaka, Nissan Prince Tokyo Motor Sales, Nissan Parts Tokyo Kanagawa Sales and 97 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Co., Ltd., and 1 another Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autec Japan Co., Ltd., and 5 other companies • Foreign companies 90 Nissan North America, Inc., Nissan Europe N.V., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 86 other companies Nissan Wholesale Receivables Two Corp., a newly established subsidiary, has been consolidated. P.T. Nissan Motor Distributor Indonesia, which was formerly excluded from consolidation, and Nissan Design Europe GmbH, which was accounted for by the equity method in the prior year, have been consolidated because their importance has increased. Twenty-three companies such as Nissan Koe Co., Ltd., which were consolidated in the prior year, have been accounted for by the equity method because of changes in management and in the decision-making processes with regard to domestic affiliates and due to their insignificant impact on the consolidated financial statements. Four companies such as Diamondmatic Co., Ltd. were merged. Five companies such as Sayama Services Co., Ltd. have been liquidated and Nissan Shelf Number Two Co., Ltd. has been excluded from consolidation because its significance has decreased.	1. Scope of Consolidation (1) Number of consolidated companies 234 • Domestic companies 146 Sales companies for vehicles and parts: Aichi Nissan Motor, Tokyo Nissan Motor, Nissan Satio Osaka, Nissan Prince Tokyo Motor Sales, Nissan Parts Chuo Sales and 118 other sales companies Manufacturing companies for vehicles and parts: Nissan Shatai Co., Ltd., Aichi Machine Industry Co., Ltd., JATCO Ltd., and 2 other companies Logistics and services companies: Nissan Trading Co., Ltd., Nissan Financial Services Co., Ltd., Autech Japan Co., Ltd., and 15 other companies • Foreign companies 88 Nissan North America, Inc., Nissan Europe S.A.S., Nissan Motor Manufacturing (UK) Ltd., Nissan Mexicana, S.A. de C.V., and 84 other companies Diamondmatic Co., Ltd. which became a subsidiary by acquisition of its shares, and newly established subsidiaries including Nissan Europe S.A.S., and 2 other companies have been consolidated. P.T. Nissan Motor Indonesia and 2 other companies, which were accounted for by the equity method in the prior year have been consolidated because they have become material. Nissan Satio Fukuoka Co., Ltd. and 3 other companies merged with other subsidiaries. Sashin Tokyo Shoji Co., Ltd. and 60 other companies were liquidated. Rhythm Co., Ltd. and 2 other companies were sold and consequently have been excluded from consolidation. Nissan Business Center Gifu Co., Ltd. and another company have become unconsolidated subsidiaries not accounted for by the equity method, because their importance has decreased.

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
(2) Unconsolidated subsidiaries 167 • Domestic companies 135 Nissan Marine Co., Ltd., Rhythm Kyushu Co., Ltd., and others • Foreign companies 32 Nissan Technical Center Europe S.A. (Brussels) 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 others, 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 172 • Domestic companies 140 Nissan Marine Co., Ltd., Nissan Human Resource Development Center Co., Ltd., and others • Foreign companies 32 Nissan Technical Center Europe S.A. (Brussels) 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 others, 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 159 • Domestic companies 132 Nissan Marine Co., Ltd., Nissan Human Resources Development Center Inc. and others • Foreign companies 27 Nissan Technical Center Europe S.A. (Brussels), 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 45 • Unconsolidated subsidiaries 12 (6 domestic and 6 foreign companies) Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others Following additional acquisition of shares, Nissan Tiledepo Mitte Co., Ltd. has become an unconsolidated subsidiary accounted for by the equity method. Three subsidiaries such as Nissan Motor Rukau Co., Ltd., formerly accounted for by the equity method have been excluded from the scope of consolidation following sale of shares. Three affiliates such as Indonesia Nissan Motor Co., Ltd., formerly accounted for by the equity method have become fully consolidated companies as their importance has increased. • Affiliates 33 (25 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Calsonic Kansei Co., Ltd. and others Following additional acquisition of shares, Renault has become an affiliate, and was accounted for by the equity method from the current period. Nissan Vehicle Distributors Co., Ltd., an affiliate which was not accounted for by the equity method, is now accounted for by the equity method. Unipress, which shares were sold, has been excluded from the scope of consolidation. This company was accounted for by the equity method until the prior fiscal year.	2. Equity Method (1) Companies accounted for by the equity method 59 • Unconsolidated subsidiaries 32 (27 domestic and 5 foreign companies) Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others Twenty-three companies, such as Nissan Koe Co., Ltd., which were consolidated in the prior year, have been accounted for by the equity method because of changes in management and in the decision-making process with regard to domestic affiliates and due to their insignificant impact on the consolidated financial statements. Manazurukaikan Co., Ltd., which was accounted for by the equity method, was merged. Nissan Design Europe Co., Ltd. has been consolidated because its materiality has increased. • Affiliates 27 (19 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Calsonic Kansei Co., Ltd. and others Two companies, one of which is Hashimoto Forming Industry Co., Ltd., have been excluded from the scope of consolidation because their shares were sold and they are no longer affiliates. 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 40 • Unconsolidated subsidiaries 11 (5 domestic and 6 foreign companies) Nissan Marine Co., Ltd., Nissan Technical Center Europe S.A. (Brussels) and others Nissan Teildepot Mitte GmbH has become an unconsolidated subsidiary accounted for by the equity method following additional acquisition of shares. Nissan Design Europe Limited was newly established and has also become an unconsolidated subsidiary accounted for by the equity method. Siam Nissan Casting Co., Ltd. and 3 other companies, formerly accounted for by the equity method, have been excluded from the scope of consolidation following sale of shares. Three affiliates such as P.T. Nissan Motor Indonesia, formerly accounted for by the equity method, have become fully consolidated subsidiaries as they have become material. Nissan Parts Yamanashi Sales Co., Ltd. merged with another company. • Affiliates 29 (21 domestic and 8 foreign companies) Nissan Diesel Motor Co., Ltd., Calsonic Kansei Co., Ltd. and others Renault has become an affiliate following additional acquisition of shares, and is now accounted for by the equity method. Nissan Vehicle Distributors Co., Ltd., an affiliate which was not formerly accounted for by the equity method, is now accounted for by the equity method. Five companies including Unipres Corporation have been excluded from the scope of consolidation because their shares were sold and they were no longer affiliates. These companies were accounted for by the equity method until the prior fiscal year.

<table>
<tr><th>For the six months ended
September 30, 2002</th><th>For the six months ended
September 30, 2003</th><th>For the year ended
March 31, 2003</th></tr>
<tr><td>(2) Companies not accounted for by the equity method 187
• Unconsolidated subsidiaries 155

Nissan Human Resource Development Co., Ltd. and others

• Affiliates 32

Tonox 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 or other results.

(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.</td><td>(2) Companies not accounted for by the equity method 173
• Unconsolidated subsidiaries 140

Nissan Human Resource Development Co., Ltd. and others

• Affiliates 33

Tonox 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 or other results.

(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.</td><td>(2) Companies not accounted for by the equity method 181
• Unconsolidated subsidiaries 148

Nissan Human Resources Development Center Inc. and others

• Affiliates 33

Tonox 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, consolidated retained earnings or other results.

(3) No adjustments are made to the financial statements of the companies accounted for by the equity method even if their accounting period is different from that of the Company.</td></tr>
<tr><td>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 24 subsidiaries
Nissan Forklift Europe B.V.
Nissan Forklift Espagna S.A.
Nissan Forklift Co., North America
Nissan Trading Europe
Nissan Trading America
Nissan Motor Company South Africa (Pty) Ltd. and its 14 subsidiaries
Nissan do Brasil Automoveis Ltda
Nissan International Finance (Netherlands) B.V.
Indonesia Nissan Motor

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.</td><td>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 Co., Ltd. and its 2 subsidiaries
Nissan Motor Company South Africa (Pty) Ltd. and its 14 subsidiaries
Nissan do Brasil Automoveis Ltda
P.T. Nissan Motor Indonesia
P.T.Nissan Motor Distributor Indonesia

(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.</td><td>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 S.A.S. and its 24 subsidiaries
Nissan Forklift Europe B.V.
Nissan Forklift Espagna S.A.
Nissan Forklift Co., North America
Nissan Trading Europe
Nissan Trading America
Nissan Motor Company South Africa (Pty) Ltd. and its 14 subsidiaries
Nissan do Brasil Automoveis Ltda.
P.T. Nissan Motor Indonesia

January 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.</td></tr>
<tr><td>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.</td><td>4. Significant Accounting Policies

(1) Method of valuation of assets

① Securities

Same as on the left</td><td>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, directly included in shareholders’ equity. Cost of securities sold is calculated by the moving average method.</td></tr>
</table>

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
Non-marketable securities … Non-marketable securities classified as other securities are carried at cost determined 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 on the left	② Derivatives Same as on the left
③ Finished goods Finished goods are stated principally at the lower of cost or market, cost being determined by the average method.	③ Inventories Inventories are stated principally at the lower of cost or market, cost being determined by the FIFO method.	③ Finished goods Finished goods are stated principally at the lower of cost or market, cost being determined by the average method.
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 stated principally at the lower of cost or market, cost being determined by the last-in, first-out method.		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 stated principally at the lower of cost or market, cost being determined by the last-in, first-out method.
(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 on the left	(2) Depreciation of property, plant and equipment Same as on the left
(3) Accruals ① Allowance for doubtful accounts Allowance for doubtful accounts is provided based on historical experience for normal receivables and on an estimate of the collectibility of receivables from companies in financial difficulty.	(3) Accruals ① Allowance for doubtful accounts Same as on the left	(3) Accruals ① Allowance for doubtful accounts Same as on the left
② Accrual for warranty costs 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 on the left	② Accrual for warranty costs Same as on the left
③ Accrual for losses on business restructuring 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 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.

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
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, in turn, is 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 principally 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.	③ Accrued retirement benefits Same as on the left	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 primarily by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees. (Additional Information) In accordance with the recent revision to Welfare Pension Insurance Law of Japan, on March 1, 2003, the Company received approval from the Minister of Health, Labor and Welfare with respect to its application for exemption from the obligation for benefits related to future employee services under the substitutional portion of the welfare pension fund plan (WPFP). In accordance with the transition provision prescribed by Article 47-2 of “Practical Guidelines for Accounting for Retirement Benefits (Interim Report)” （Accounting Committee Report No. 13） issued by the Accounting Committee of the Japanese Institute of Certified Public Accountants, the Company recognized a loss from the return of the substitutional portion of the WPFP by reducing the retirement benefit obligation and the pension plan assets related to the substitutional portion as of the date when the Company received the permission. The effect of this treatment on the operating results is described in the note describing retirement benefits.
(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 and minority interests.	(4) Foreign currency translation Same as on the left	(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 presented as a separate component of shareholders’ equity.

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
(5) Leases Noncancelable lease transactions 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. (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 and they qualify as hedges, 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 taxes Transactions subject to consumption taxes, are recorded at amounts exclusive of consumption taxes.	(5) Leases Noncancelable lease transactions are primarily accounted for as capital leases except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases. (6) Hedge accounting ① Hedge accounting Same as on the left ② Hedging instruments and hedged items Same as on the left ③ Hedging policy Same as on the left ④ Assessment of hedge effectiveness Same as on the left ⑤ Risk management policy with respect to hedge accounting Same as on the left (7) Accounting for consumption tax Same as on the left	(5) Leases Noncancelable lease transactions 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. (6) Hedge accounting ① Hedge accounting Same as on the left ② Hedging instruments and hedged items Same as on the left ③ Hedging policy Same as on the left ④ Assessment of hedge effectiveness Same as on the left ⑤ Risk management policy with respect to hedge accounting Same as on the left (7) Accounting for consumption taxes Same as on the left

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
(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.	(8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiaries in Mexico and other countries have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in those countries in the accompanying semiannual consolidated financial statements have been charged or credited to operations and are directly reflected in retained earnings.	(8) Accounting policies adopted by foreign consolidated subsidiaries The financial statements of the Company's subsidiaries in Mexico and other countries have been prepared based on general price-level accounting. The related revaluation adjustments made to reflect the effect of inflation in those countries 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 on the left	5. Cash and Cash Equivalents in the Semiannual Consolidated Statement of Cash Flows Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time 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.
―――――――	―――――――	6. Accounting Standard for Treasury Stock and Reduction of Legal Reserves Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reduction of Legal Reserves" (Accounting Standard No. 1). The effect of the adoption of the new standard on operating results was immaterial for the current fiscal year. Following the recent revision to Regulations for Consolidated Financial Statements the Company has changed the presentation of the shareholders' equity in the consolidated balance sheet and the consolidated statement of retained earnings in accordance with the revised regulations.
―――――――	―――――――	7. Per Share Data Effective April 1, 2002, the Company adopted "Accounting Standard for Earnings per Share" (Accounting Standard No. 2) and "Implementation Guidance on Accounting Standards for Earnings per Share" (Accounting Implementation Guidance No. 4). The effect of the adoption of this accounting standard and guidance on net income and net assets per share was immaterial for the current fiscal year.

Changes in Accounting Policies

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
————————	Method of Valuation of Inventories Until the year ended March 31, 2003, finished goods, work in process and purchased parts included in raw materials were stated at the lower of cost or market, cost being determined by the average method, and raw materials except for purchased parts and supplies were stated at the lower of cost or market, cost being determined by the last-in, first-out method. Effective April 1, 2003, the Company and certain consolidated subsidiaries changed their method of accounting for all inventories to state them at the lower of cost or market, cost being determined by the first-in, first-out method. This change was made in order to establish a sound financial position by reflecting changes in purchase prices in the valuation of inventories, given the fact that progress has been made in the reduction of purchasing costs and that this trend is anticipated to continue. Another reason for this change was to achieve a better matching of revenue and expenses and more appropriate cost management by applying an inventory valuation method which reflects the actual inventory movements. The effect of this change was immaterial. Retirement benefits at Nissan Motor Manufacturing (UK) Ltd. Effective April 1, 2003, Nissan Manufacturing (UK) Ltd., a consolidated subsidiary, has implemented the early adoption of a revised UK accounting standard for retirement benefits. The effect of this change was to increase retirement benefit expenses by ¥1,014 million, and to decrease operating income, ordinary income and income before income taxes by ¥765 million, ¥1,014 million and ¥1,014 million, respectively, for the six months ended September 30, 2003 as compared with the corresponding amounts which would have been recorded if the previous method had been followed. Retained earnings decreased by ¥30,684 million since the net retirement benefit obligation at transition was directly charged to retained earnings at April 1, 2003. The effect of this change on segment information is explained herein in the applicable note.	————————

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
———	Accounting for Leases Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases), except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases. Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases rather than operating leases. This change was made, given the increasing materiality of lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting lease transactions more appropriately in their consolidated financial statements. The effect of this change in method of accounting was to decrease sales, cost of sales and selling, general and administrative expenses by ¥9,456 million, ¥19,979 million and ¥334 million, respectively, and to increase operating income, ordinary income and income before income taxes and minority interests by ¥10,857 million, ¥8,878 million and ¥8,878 million, respectively, for the six months ended September 30, 2003 as compared with the corresponding amounts which would have been recorded under the previous method. In addition, trade and sales finance receivables, tangible fixed assets and lease obligations increased by ¥70,984 million, ¥78,676 million and ¥145,458 million, respectively, at September 30, 2003 over the corresponding amounts which would have been recorded under the previous method. The effect of this change on segment information is explained herein in the applicable note.	———

Changes in presentation

For the six months ended September 30, 2002	For the six months ended September 30, 2003
Semiannual Consolidated Balance Sheets “Marketable securities,” which had been presented separately in the semiannual consolidated balance sheet at September 30, 2001, are included in “Other current assets” as they have become insignificant in terms of amount (¥481 million at September 30, 2002). Semiannual Consolidated Statements of Cash Flows Purchases of and proceeds from sales of leased vehicles in “Cash flows from investing activities” were presented in the net amount as “Increase in leased assets” in the semiannual consolidated statement of cash flows for the six months ended September 30, 2001. Effective April 1, 2002, they have been presented separately as “Purchases of leased vehicles” and “Proceeds from sales of leased vehicles” in order to achieve a more accurate presentation. “Increase in leased assets” of ¥△97,650 million represents the net amount of “Purchases of leased assets” of ¥△206,683 million and “Proceeds from sales of leased assets” of ¥109,033 million in the semiannual consolidated statement of cash flows for the six months ended September 30, 2001.	Accrual For Warranty Costs The short-term portion of the accrual for warranty costs which was included in long-term liabilities in the previous period has been reclassified to current liabilities because it is now possible to make a reasonable calculation of the projected annual costs related to warranty claims.

Supplementary information

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
Accounting for Treasury Stock and Reversal of Legal Reserves Accounting for Employees' Retirement Benefits Effective April 1, 2002, the Company adopted "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" (Accounting Standard No. 1 issued by the Financial Accounting Standards Board of Japan on February 21, 2002). The effect of the adoption of this standard was insignificant. Following the amendment of "Regulations for Semiannual Consolidated Financial Statements," effective April 1, 2002, "Shareholders' equity" in the semiannual consolidated balance sheet and the semiannual consolidated statement of retained earnings are presented in accordance with the revised "Regulations for Semiannual Consolidated Financial Statements."	―――	―――

Notes to Semiannual Consolidated Financial Statements

All amounts are in millions of yen except for amounts per share.

For the Semiannual Consolidated Balance Sheets

At September 30, 2002

1. ※1 Accumulated depreciation of property, plant and equipment ¥3,298,010

2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥768,672 million.

3. ※3 These assets include the following assets pledged as collateral:

(1) Assets pledged as collateral:

Cash in banks	¥ 48
Sales finance receivables	1,033,772
Property, plant and equipment	484,637
Total	¥1,518,457

(2) Liabilities secured by the above collateral:

Short-term borrowings	¥ 409,297
Long-term borrowings (including the current portion)	898,240
Total	¥1,307,537

In addition to the above, lease payment receivables on leased assets totaling ¥617 million, which were not recorded in the accompanying semiannual consolidated balance sheet were pledged as collateral for short-term borrowings of ¥500 million. Investments in consolidated subsidiaries totaling ¥41,804 million, which were eliminated in consolidation, were also pledged as collateral for long-term borrowings of affiliates of ¥14,391 million, which were not reflected in the accompanying semiannual consolidated balance sheet.

4. Guarantees and others

(1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥192,531※	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co., and 811 other companies	40,150	Guarantees for loans
Total	¥232,681	

※ These loans were fully covered by insurance.

At September 30, 2003

1. ※1 Accumulated depreciation of property, plant and equipment ¥3,235,590

This balance includes the accumulated depreciation of leased assets (lessees) in the amount of ¥214,162.

2. ※2 Machinery, equipment and vehicles includes certain items leased to others under lease agreements in the amount of ¥717,638 million.

3. ※3 These assets include the following assets pledged as collateral:

(1) Assets pledged as collateral:

Cash in banks	¥ 11
Sales finance receivables	328,617
Property, plant and equipment	1,244,102
Total	¥1,572,730

(2) Liabilities secured by the above collateral:

Short-term borrowings	¥ 630,672
Long-term borrowings (including the current portion)	687,506
Total	¥1,318,178

In addition to the above, investments in subsidiaries totaling ¥46,136 million, which were eliminated in consolidation, were pledged as collateral for long-term borrowings of affiliates of ¥9,905 million, which were not reflected in the accompanying semiannual consolidated balance sheet.

4. Guarantees and others

(1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥193,652※	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co., and 811 other companies	50,451	Guarantees for loans
Total	¥244,103	

※ These loans were fully covered by insurance.

At March 31, 2003

1. ※1 Accumulated depreciation of property, plant and equipment ¥3,211,740

2. ※2 Machinery, equipment and vehicles includes certain items in the amount of ¥774,251 million leased to others under lease agreements.

3. ※3 These assets include the following assets pledged as collateral:

(1) Assets pledged as collateral:

Cash in banks	¥ 38
Sales finance receivables	1,076,738
Property, plant and equipment	554,341
Total	¥1,631,117

(2) Liabilities secured by the above collateral:

Short-term borrowings	¥ 375,758
Long-term borrowings (including the current portion)	1,039,807
Total	¥1,415,565

In addition to the above, investments in subsidiaries totaling ¥42,423 million, which were eliminated in consolidation, were pledged as collateral for long-term borrowings of affiliates of ¥12,240 million, which were not reflected in the accompanying consolidated balance sheet.

4. Guarantees and others

(1) Guarantees

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Employees	¥193,389※	Guarantees for employees' housing loans and others
AG Global Private Ltd. Co., and 688 other companies	39,291	Guarantees for loans
Total	¥232,680	

※ These loans were fully covered by insurance.

At September 30, 2002	At September 30, 2003	At March 31, 2003
(2) Commitments to provide guarantees Guarantees / Balance of commitments to provide guarantees / Description of commitments MONC LIBERIA, INC and 2 other companies / ¥3,216 / Commitments to provide guarantees for loans	(2) Commitments to provide guarantees Guarantees / Balance of commitments to provide guarantees / Description of commitments MONC LIBERIA, INC and 2 other companies / ¥2,950 / Commitments to provide guarantees for loans	(2) Commitments to provide guarantees Guarantees / Balance of commitments to provide guarantees / Description of liabilities guarantees MONC LIBERIA, INC and 2 other companies / ¥3,296 / Commitments to provide guarantees for loans
		(3) Letters of awareness The Company has provided letters of awareness to certain financial institutions regarding the indebtedness of the following company: Companies covered / Liabilities covered P.T. Nissan Motor Distributor Indonesia / ¥75
(3) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥107,160	(3) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥65,835	(4) Letters of awareness regarding sales of trade receivables Total trade receivables sold ¥121,007
(4) Outstanding balance of installment receivables sold with recourse ¥239	(4) Outstanding balance of installment receivables sold with recourse ¥240	(5) Outstanding balance of installment receivables sold with recourse ¥240
5. Notes receivable discounted with banks ¥963	5. Notes receivable discounted with banks ¥2,106	5. Notes receivable discounted with banks ¥816
6. ※5 Retained earnings Revaluation adjustments resulting from general price-level accounting ¥11,744	6. ※5 Retained earnings Revaluation adjustments resulting from general price-level accounting ¥20,695	6. ※5 Retained earnings Revaluation adjustments resulting from general price-level accounting ¥17,971
7. The unused balances granted under overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows: Maximum amount of overdrafts and total amount of loan commitments ¥23,723 Loans made 2,615 Unused amount ¥21,108	7. The unused balances granted under overdraft and loan commitment agreements of certain consolidated subsidiaries are summarized as follows: Maximum amount of overdrafts and total amount of loan commitments ¥66,521 Loans made 9,808 Unused amount ¥56,713	7. The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows: Total lines of credit, overdrafts and loans ¥39,151 Loans receivable outstanding Unused lines of credit ¥35,790
A significant portion of the above 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.	A significant portion of the above 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.	A significant portion of the above 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.

For the Semiannual Consolidated Statements of Income and Retained Earnings/ the Semiannual Consolidated Statements of Income

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
※1 Gain on sales of fixed assets consisted of gain on sales of land and buildings of ¥61,618 million and others.	※1 Gain on sales of fixed assets consisted of gain on sales of land and buildings of ¥4,237 million and others. ※2 The components of prior-period adjustments were as follows: Accrued social security payments of ¥7,267 on the prior-period accrued bonuses. Additional insurance premiums of ¥9,132 corresponding to the prior period following an increase in product liability claims payable.	※1 Gain and loss on sales of property, plant and equipment primarily resulted from sales of land and buildings in aggregate amounts of ¥65,424 million and ¥6,164 million, respectively.

For the Consolidated Statements of Cash Flows

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
※1 Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the semiannual consolidated balance sheet as follows:	※1 Cash and cash equivalents as of the balance sheet date are reconciled to the accounts reported in the semiannual consolidated balance sheet as follows:	※1 Cash and cash equivalents as of the year end are reconciled to the accounts reported in the consolidated balance sheet as follows:
(As of September 30, 2002)	(As of September 30, 2003)	(As of March 31, 2003)
Cash on hand and in banks ¥249,766	Cash on hand and in banks ¥158,630	Cash on hand and in banks ¥268,433
Time deposits with maturities of more than three months △73	Time deposits with maturities of more than three months △586	Time deposits with maturities of more than three months △35
	Cash equivalents included in securities (*) 2,409	Cash equivalents included in securities (*) 1,419
Cash and cash equivalents ¥249,693	Cash and cash equivalents ¥160,453	Cash and cash equivalents ¥269,817
	* This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries	* This represents short-term highly liquid investments readily convertible into cash held by foreign subsidiaries.

For Lease Transactions

For the six months ended September 30, 2002

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	¥ 78,858	¥30,030	¥48,828
Others	120,424	67,980	52,444
Total	¥199,282	¥98,010	¥101,272

(2) Future minimum lease payments subsequent to September 30, 2002 are summarized as follows:

Due in one year or less	¥ 36,480
Due after one year	66,988
Total	¥103,468

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

Lease payments	¥23,072
Depreciation	21,548
Interest	1,507

(4) Method of calculation of depreciation

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

(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 over 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, 2002 are summarized as follows:

Due in one year or less	¥ 3,846
Due after one year	24,873
Total	¥28,719

For the six months ended September 30, 2003

Lessees' Accounting

2. Operating lease transactions

Future minimum lease payments subsequent to September 30, 2003 are summarized as follows:

Due in one year or less	¥ 5,560
Due after one year	20,428
Total	¥25,988

For the year ended March 31, 2003

Lessees' Accounting

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

(1) The pro forma amounts of 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	¥ 89,470	¥35,823	¥ 53,647
Others	155,704	60,472	95,232
Total	¥245,174	¥96,295	¥148,879

(2) Future minimum lease payments subsequent to March 31, 2003 are summarized as follows:

Due in one year or less	¥ 53,648
Due after one year	97,532
Total	¥151,180

(3) Lease payments, depreciation of leased assets and the interest portion included in the lease payments are shown below:

Lease payments	¥45,638
Depreciation	42,444
Interest	3,039

(4) Method of calculation of depreciation

Same as on the left

(5) Method of calculation of interest portion

Same as on the left

2. Operating lease transactions

Future minimum lease payments subsequent to March 31, 2003 are summarized as follows:

Due in one year or less	¥ 4,731
Due after one year	20,638
Total	25,369

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003

For the six months ended September 30, 2002

Lessors' Accounting

1. Finance lease transactions 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	¥90,834	¥42,369	¥48,465
Others	12,783	7,002	5,781
Total	¥103,617	¥49,371	¥54,246

(2) Future minimum lease income subsequent to September 30, 2002 is summarized as follows:

Due in one year or less	¥18,131
Due after one year	38,077
Total	¥56,208

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

Lease income	¥11,700
Depreciation	9,580
Interest	1,406

(4) Method of calculation of interest

The interest portion included in lease income is calculated as the difference between the aggregate lease income over 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, 2002 is summarized as follows:

Due in one year or less	¥157,723
Due after one year	218,098
Total	¥375,821

For the six months ended September 30, 2003

Lessors' Accounting

1. ―――――

2. Operating lease transactions

Future minimum lease income subsequent to September 30, 2003 is summarized as follows:

Due in one year or less	¥168,559
Due after one year	254,145
Total	¥422,704

For the year ended March 31, 2003

Lessors' Accounting

1. Finance lease transactions except for those lease agreements 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	¥89,924	¥41,199	¥48,725
Others	7,483	3,768	3,715
Total	¥97,407	¥44,967	¥52,440

(2) Future minimum lease income subsequent to March 31, 2003 is summarized as follows:

Due in one year or less	¥17,490
Due after one year	36,666
Total	¥54,156

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

Lease income	¥21,216
Depreciation	18,351
Interest	2,649

(4) Method of calculation of interest

Same as on the left

2. Operating lease transactions

Future minimum lease income subsequent to March 31, 2003 is summarized as follows:

Due in one year or less	¥163,917
Due after one year	239,166
Total	¥403,083

For Securities

At September 30, 2002

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
National and local government bonds	¥ 61	¥ 64	¥ 3
Corporate bonds	319	336	17
Other	1,956	1,956	0
Total	¥2,336	¥2,356	¥ 20

2 Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥5,191	¥8,493	¥3,302
(2) Bonds			
National and local government bonds	19	20	1
Corporate bonds	2,601	2,475	△126
(3) Other	8,837	9,828	991
Total	¥16,648	¥20,816	¥4,168

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) ¥ 6,329
Unlisted foreign stocks 3,587
Unlisted foreign debt securities 20,000

At September 30, 2003

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
Corporate bonds	¥ 262	¥ 279	¥17
Other	2,943	2,943	0
Total	¥3,205	¥3,222	¥17

2 Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(1) Stocks	¥3,557	¥9,932	¥6,375
(2) Bonds			
National and local government bonds	19	20	1
Total	¥3,576	¥9,952	¥6,376

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) ¥7,624
Unlisted foreign stocks 1,194

At March 31, 2003

Securities

1. Marketable held-to-maturity debt securities

Type of securities	Carrying value	Estimated fair value	Unrealized gain (loss)
(Securities whose fair value exceeds their carrying value)			
Government bonds	¥ 60	¥ 61	¥ 1
Corporate bonds	313	336	23
Subtotal	373	397	24
(Securities whose carrying value exceeds their fair value)			
Corporate bonds	3,068	3,068	0
Subtotal	3,068	3,068	0
Total	¥3,441	¥3,465	¥24

2 Marketable other securities

Type of securities	Acquisition costs	Carrying value	Unrealized gain (loss)
(Securities whose carrying value exceeds their acquisition cost)			
Stock	¥ 1,243	¥ 4,492	¥3,249
Bonds:			
Government bonds	19	20	1
Other	8,976	9,779	803
Subtotal	10,238	14,291	4,053
(Securities whose carrying value exceeds their fair value)			
Stock	3,544	2,883	△661
Bonds:			
Corporate bonds	100	82	△18
Subtotal	3,644	2,965	△679
Total	¥13,882	¥17,256	¥3,374

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) ¥7,441
Unlisted foreign stocks 2,311

For Derivatives

National Amounts, Fair Value and Unrealized Gain or Loss of Derivatives

(Millions of yen)

Type of related items	Type of transactions	At September 30, 2002 Notional amounts	At September 30, 2002 Fair value	At September 30, 2002 Unrealized gain (loss)	At September 30, 2003 Notional amounts	At September 30, 2003 Fair value	At September 30, 2003 Unrealized gain (loss)	At March 31, 2003 Notional amounts	At March 31, 2003 Fair value	At March 31, 2003 Unrealized gain (loss)
Currency	Forward foreign exchange contracts									
	Sell									
	£ Stg.	¥ 8,242	¥ 8,186	¥ 56	–	–	–	–	–	–
	US$	–	–	–	¥ 2,155	¥ 2,079	¥ 76	¥103,749	¥102,000	¥1,749
	Other	1,388	1,351	37	1,237	1,323	△86	1	1	0
	Buy									
	CAN$	–	–	–	–	–	–	10,542	10,663	121
	£ Stg.	26,856	26,298	△558	–	–	–	2,391	2,365	△26
	Euro	704	686	△18	–	–	–	–	–	–
	Other	787	773	△14	–	–	–	691	600	△91
	Swaps									
	US$	¥ 4,534	¥ 27	¥ 27	¥ 22,300	¥ △479	¥ △479	¥ 8,645	¥ △320	¥ △320
	£ Stg.	32,900	185	185	37,423	△9	△9	34,186	339	339
	CAN$	2,114	△25	△25	1,146	△112	△112	2,242	△59	△59
	Euro	28,642	△1,155	△1,155	73,494	15	15	34,840	△1,032	△1,032
Interest rate	Swaps									
	Receive floating/ pay fixed	¥257,428	¥△4,082	¥△4,082	¥120,754	¥△1,026	¥△1,026	¥187,187	¥△2,095	¥△2,095
	Receive fixed/ pay floating	249,742	8,130	8,130	223,148	4,470	4,470	262,154	7,247	7,247
	Receive floating/ pay floating	2,500	△38	△38	2,500	△30	△30	2,500	△30	△30
	Options									
	Caps, sold	¥457,368			¥602,888			¥461,860		
	(Option premium)	(–)	¥△3,333	¥△3,333	(–)	¥△7,804	¥△7,804	(–)	¥△4,605	¥△4,605
	Caps, purchased	457,368			602,888			461,860		
	(Option premium)	(–)	3,333	3,333	(–)	7,804	7,804	(–)	4,605	4,605
Total		–	–	¥ 2,545	–	–	¥ 2,819	–	–	¥ 5,803

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 financial institutions.
2. The notional amounts of the forward foreign exchange contracts presented above exclude those entered into in order 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 in order 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 July 3, 2001, 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, 2002

(Millions of yen)

	Automobile	Sales finance	Total	Eliminations	Consolidated
Net sales:					
(1) Sales to third parties	¥3,096,294	¥189,169	¥3,285,463	–	¥3,285,463
(2) Inter-group sales	20,899	6,738	27,637	¥(27,637)	0
Total	3,117,193	195,907	3,313,100	(27,637)	3,285,463
Operating expenses	2,801,126	167,212	2,968,338	(31,174)	2,937,164
Operating income	¥ 316,067	¥ 28,695	¥ 344,762	¥ 3,537	¥ 348,299

Notes: 1. Businesses are segmented based on their proximity and in terms of the type, nature and markets of their products.

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. Consolidated financial statements by business segment for the six months ended September 30, 2002

- Amounts in the sales finance segment represent the aggregate of the figures of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), and Nissan Canada Finance Inc. (Canada).
- Amounts in the automobile segment represent the differences between the consolidated totals and those of the sales finance segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

	As of September 30, 2002		
	Automobile	Sales finance	Consolidated
Assets			
I Current assets			
Cash on hand and in banks	¥ 243,568	¥ 6,198	¥ 249,766
Trade notes and accounts receivable	469,280	6,473	475,753
Sales finance receivables	△165,641	1,903,995	1,738,354
Inventories	551,117	12,997	564,114
Other current assets	323,473	100,926	424,399
Total current assets	1,421,797	2,030,589	3,452,386
II Fixed assets			
Property, plant and equipment, net	2,075,299	763,753	2,839,052
Investment securities	272,565	15,702	288,267
Other assets	329,314	66,736	396,050
Total fixed assets	2,677,178	846,191	3,523,369
III Deferred charges			
Discounts on bonds	2,408	–	2,408
Total deferred charges	2,408	–	2,408
Total assets	¥4,101,383	¥2,876,780	¥6,978,163
Liabilities			
I Current liabilities			
Trade notes and accounts payable	¥ 609,504	¥ 8,454	¥ 617,958
Short-term borrowings	△494,562	1,768,413	1,273,851
Other current liabilities	752,822	126,656	879,478
Total current liabilities	867,764	1,903,523	2,771,287
II Long-term liabilities			
Bonds	827,303	6,930	834,233
Long-term borrowings	180,869	539,570	720,439
Other long-term liabilities	740,009	162,345	902,354
Total long-term liabilities	1,748,181	708,845	2,457,026
Total liabilities	2,615,945	2,612,368	5,228,313
Minority interests			
Minority interests	85,935	–	85,935
Shareholders' equity			
I Common stock	522,452	82,107	604,559
II Capital surplus	773,148	30,067	803,215
III Retained earnings and unrealized holding gain on securities	562,372	129,055	691,427
IV Translation adjustments	△336,579	23,183	△313,396
V Treasury stock	△121,890	–	△121,890
Total shareholders' equity	1,399,503	264,412	1,663,915
Total liabilities, minority interests and shareholder' equity	¥4,101,383	¥2,876,780	¥6,978,163

Notes: 1. Sales finance receivables in the automobile segment represent eliminations resulting from the transfer of financing operations for inventory purchasing to the sales finance segment.

2. Borrowings in the automobile segment are stated net of loans of ¥859,982 million in the aggregate made to the sales finance segment.

(2) Summarized Statements of Income by Business Segment

(Millions of yen)

	For the six months ended September 30, 2002		
	Automobile	Sales finance	Consolidated
Net sales	¥3,089,556	¥195,907	¥3,285,463
Cost of sales	2,223,906	126,845	2,350,751
Gross profit	865,650	69,062	934,712
Operating income as a percentage of net sales	10.3%	14.6%	10.6%
Operating income	319,604	28,695	348,299
Financial income/expenses, net	△7,964	2	△7,962
Other non-operating income/expenses, net	△16,727	△110	△16,837
Ordinary income	294,913	28,587	323,500
Income before income taxes and minority interests	336,532	28,476	365,008
Net income	¥ 270,792	¥ 16,913	¥ 287,705

(3) Summarized statements of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2002		
	Automobile	Sales finance	Consolidated
I Cash flows from operating activities			
Income before income taxes and minority interests	¥ 336,532	¥ 28,476	¥ 365,008
Depreciation and amortization	112,835	78,100	190,935
Changes in sales finance receivables	30,367	△169,381	△139,014
Other	△154,783	8,960	△145,823
Cash flows provided by (used in) operating activities	324,951	△53,845	271,106
II Cash flows from investing activities			
Proceeds from sales of investment securities	13,738	8,835	22,573
Proceeds from sales of property, plant and equipment	65,098	–	65,098
Capital expenditures	△113,017	△100	△113,117
Purchases of leased vehicles	△26,451	△239,326	△265,777
Proceeds from sales of leased vehicles	20,550	122,421	142,971
Other	△20,799	△3,257	△24,056
Cash flows used in financing activities	△60,881	△111,427	△172,308
III Cash flows from financing activities			
Changes in short-term borrowings	△224,887	125,025	△99,862
Changes in long-term borrowings	△78,914	15,027	△63,887
Increase in bonds and debentures	85,000	–	85,000
Other	△73,570	25,000	△48,570
Cash flows (used in) provided by financing activities	△292,371	165,052	△127,319
IV Effect of exchange rate changes on cash and cash equivalents	△3,224	△508	△3,732
V Decrease in cash and cash equivalents	△31,525	△728	△32,253
VI Cash and cash equivalents at beginning of the period	272,742	6,911	279,653
VII Increase due to inclusion in consolidation	2,297	–	2,297
VIII Decrease due to exclusion from consolidation	△4	–	△4
IX Cash and cash equivalents at end of the period	¥ 243,510	¥ 6,183	¥ 249,693

For the six months ended September 30, 2003

(Millions of yen)

	Automobile	Sales finance	Total	Eliminations	Consolidated
Net sales:					
(1) Sales to third parties	¥3,372,582	¥183,667	¥3,556,249	–	¥3,556,249
(2) Inter-group sales	9,688	4,823	14,511	¥(14,511)	0
Total	3,382,270	188,490	3,570,760	(14,511)	3,556,249
Operating expenses	3,017,491	151,350	3,168,841	(13,724)	3,155,117
Operating income	¥ 364,779	¥ 37,140	¥ 401,919	¥ (787)	¥ 401,132

Notes: 1. Businesses are segmented based on their proximity and in terms of the type, nature and markets of their products.

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. Changes in method of accounting

(1) NMUK pension

Effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption of a new UK accounting standard for retirement benefits. The effect of this change was to decrease operating income in the automobile segment by ¥765 million.

(2) Leases

Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases) except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases.

Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases instead of operating leases. This change was made, given the increasing materiality of the lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting these lease transactions more appropriately in the consolidated financial statements. The effect of this change in method of accounting was to decrease sales and operating expenses in the automobile segment by ¥67 million and ¥10,923 million, respectively, and to decrease sales, operating expenses, and operating income in the sales finance segment by ¥17,123 million, ¥17,124 million and ¥1 million, respectively, for the six months ended September 30, 2003 from the corresponding amounts which would have been recorded under the previous method. In addition, eliminations of sales and operating expenses increased by ¥7,734 million and ¥7,734 million, respectively, at September 30, 2003 over the corresponding amounts which would have been recorded if the previous method of accounting had been followed.

4. Consolidated financial statements by business segment for the six months ended September 30, 2003
   - Amounts in the sales finance segment represent the aggregate of the figures of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), and Nissan Canada Finance Inc. (Canada).
   - Amounts in the automobile segment represent the differences between the consolidated totals and those of the sales finance segment.

(1) Summarized Consolidated Balance Sheets by Business Segment

(Millions of yen)

	As of September 30, 2003		
	Automobile	Sales finance	Consolidated
Assets			
I Current assets			
Cash on hand and in banks	¥ 154,511	¥ 4,119	¥ 158,630
Trade notes and accounts receivable	512,326	0	512,326
Sales finance receivables	△163,825	2,253,088	2,089,263
Inventories	563,251	8,785	572,036
Other current assets	365,389	77,569	442,958
Total current assets	1,431,652	2,343,561	3,775,213
II Fixed assets			
Property, plant and equipment, net	2,414,669	739,351	3,154,020
Investment securities	356,424	1,272	357,696
Other assets	297,021	167,057	464,078
Total fixed assets	3,068,114	907,680	3,975,794
III Deferred charges			
Discounts on bonds	1,865	–	1,865
Total deferred charges	1,865	–	1,865
Total assets	¥4,501,631	¥3,251,241	¥7,752,872
Liabilities			
I Current liabilities			
Trade notes and accounts payable	¥ 700,954	¥ 9,413	¥ 710,367
Short-term borrowings	△508,814	2,135,239	1,626,425
Lease obligation	64,848	0	64,848
Other current liabilities	854,360	99,465	953,825
Total current liabilities	1,111,348	2,244,117	3,355,465
II Long-term liabilities			
Bonds	588,736	34,950	623,686
Long-term borrowings	201,431	545,711	747,142
Lease obligation	88,317	0	88,317
Other long-term liabilities	802,420	139,992	942,412
Total long-term liabilities	1,680,904	720,653	2,401,557
Total liabilities	2,792,252	2,964,770	5,757,022
Minority interests			
Minority interests	96,757	–	96,757
Shareholders' equity			
I Common stock	523,707	82,107	605,814
II Capital surplus	774,403	30,067	804,470
III Retained earnings and unrealized holding gain on securities	868,891	170,725	1,039,616
IV Translation adjustments	△333,743	3,572	△330,171
V Treasury stock	△220,636	–	△220,636
Total shareholders' equity	1,612,622	286,471	1,899,093
Total liabilities, minority interests and shareholder' equity	¥4,501,631	¥3,251,241	¥7,752,872

Notes: 1. Sales finance receivables in the automobile segment represent eliminations resulting from the transfer of financing operations for inventory purchasing to the sales finance segment.

2. Borrowings in the automobile segment are stated net of loans of ¥1,075,875 million in the aggregate made to the sales finance segment.

(2) Summarized statements of income by business segment

(Millions of yen)

	For the six months ended September 30, 2003		
	Automobile	Sales finance	Consolidated
Net sales	¥3,367,759	¥188,490	¥3,556,249
Cost of sales	2,402,754	107,796	2,510,550
Gross profit	965,005	80,694	1,045,699
Operating income as a percentage of net sales	10.8%	19.7%	11.3%
Operating income	363,992	37,140	401,132
Financial income/expenses, net	△8,380	0	△8,380
Other non-operating income/expenses, net	△2,662	256	△2,406
Ordinary income	352,950	37,396	390,346
Income before income taxes and minority interests	329,195	38,910	368,105
Net income	¥ 213,299	¥ 24,381	¥ 237,680

(3) Summarized statements of cash flows by business segment

(Millions of yen)

	For the six months ended September 30, 2003		
	Automobile	Sales finance	Consolidated
I Cash flows from operating activities			
Income before income taxes and minority interests	¥ 329,195	¥ 38,910	¥ 368,105
Depreciation and amortization	152,442	71,277	223,719
Changes in sales finance receivables	△35,506	△224,743	△260,249
Other	△98,953	20,143	△78,810
Cash flows provided by (used in) operating activities	347,178	△94,413	252,765
II Cash flows from investing activities			
Proceeds from sales of investment securities	3,742	10	3,752
Proceeds from sales of property, plant and equipment	21,587	105	21,692
Capital expenditures	△167,137	△1,613	△168,750
Purchases of leased vehicles	△20,958	△251,331	△272,289
Proceeds from sales of leased vehicles	14,256	104,257	118,513
Other	△52,911	△3,727	△56,638
Cash flows used in financing activities	△201,421	△152,299	△353,720
III Cash flows from financing activities			
Changes in short-term borrowings	△48,009	285,088	237,079
Changes in long-term borrowings	△125,249	△70,574	△195,823
Increase in bonds and debentures	74,792	30,000	104,792
Other	△155,226	△136	△155,362
Cash flows (used in) provided by financing activities	△253,692	244,378	△9,314
IV Effect of exchange rate changes on cash and cash equivalents	1,683	△217	1,466
V Decrease in cash and cash equivalents	△106,252	△2,551	△108,803
VI Cash and cash equivalents at beginning of the period	263,146	6,671	269,817
VII Increase due to inclusion in consolidation	310	–	310
VIII Decrease due to exclusion from consolidation	△871	–	△871
IX Cash and cash equivalents at end of the period	¥ 156,333	¥ 4,120	¥ 160,453

For the year ended March 31, 2003

(Millions of yen)

	Automobile	Sales finance	Total	Eliminations	Consolidated
Sales and operating income:					
(1) Sales to third parties	¥6,444,460	¥384,128	¥6,828,588	–	¥6,828,588
(2) Inter-area sales and transfers	42,775	11,740	54,515	¥△54,515	0
Total sales	6,487,235	395,868	6,883,103	△54,515	6,828,588
Operating expenses	5,818,023	335,986	6,154,009	△62,651	6,091,358
Operating income	¥ 669,212	¥ 59,882	¥ 729,094	¥ 8,136	¥ 737,230

Notes: 1. Businesses are segmented based on their proximity and in terms of the type, nature and markets of their products.

2. Main products of each business segment

   (1) Automobile................ passenger cars, trucks, buses, forklifts, manufacturing parts, etc.

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

3. Consolidated financial statements by business segment for the year ended March 31, 2003

   - Amounts in the sales financing segment represent the aggregate of the figures of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (USA), and Nissan Canada Finance Inc. (Canada).
   - Amounts in the automobile segment represent the differences between the consolidated totals and those for the sales finance segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

	Current fiscal year (As of Mach. 31, 2003)		
	Automobile	Sales finance	Consolidated
Assets			
I Current assets			
Cash on hand and in banks	¥ 261,747	¥ 6,686	¥ 268,433
Trade notes and accounts receivable	494,028	7,099	501,127
Sales finance receivables	△199,331	2,096,284	1,896,953
Inventories	526,062	17,546	543,608
Other current assets	371,584	118,352	489,936
Total current assets	1,454,090	2,245,967	3,700,057
II Fixed assets			
Property, plant and equipment, net	2,223,124	766,210	2,989,334
Investment securities	256,515	10,531	267,046
Other fixed assets	309,405	81,204	390,609
Total fixed assets	2,789,044	857,945	3,646,989
III Deferred charges			
Discounts on bonds	2,137	–	2,137
Total deferred charges	2,137	–	2,137
Total assets	¥4,245,271	¥3,103,912	¥7,349,183
Liabilities			
I Current liabilities			
Trade notes and accounts payable	¥ 646,306	¥ 10,105	¥ 656,411
Short-term borrowings	△653,588	1,968,810	1,315,222
Other current liabilities	839,197	110,988	950,185
Total current liabilities	831,915	2,089,903	2,921,818
II Long-term liabilities			
Bonds	772,220	5,940	778,160
Long-term borrowings	252,466	572,620	825,086
Other long-term liabilities	772,081	155,283	927,364
Total long-term liabilities	1,796,767	733,843	2,530,610
Total liabilities	2,628,682	2,823,746	5,452,428
Minority interests			
Minority interests	88,451	–	88,451
Shareholders' equity			
I Common stock	523,707	82,107	605,814
II Additional paid-in capital	774,403	30,067	804,470
III Retained earnings and unrealized holding gain on securities	732,307	148,179	880,486
IV Translation adjustments	△340,089	19,813	△320,276
V Treasury stock	△162,190	–	△162,190
Total shareholders' equity	1,528,138	280,166	1,808,304
Total liabilities, minority interests and shareholders' equity	¥4,245,271	¥3,103,912	¥7,349,183

Notes: 1. Sales finance receivables in the automobile segment represent eliminations resulting from the transfer of customer loans to the sales finance segment.

2. Borrowings and debts in the automobile segment are stated after elimination of loans to the sales finance segment in the aggregate amount of ¥1,073,935 million.

(2) Summarized consolidated statements of income by business segment

(Millions of yen)

	Current fiscal year (For the year ended March 31, 2003)		
	Automobile	Sales finance	Consolidated
Net sales	¥6,432,720	¥395,868	¥6,828,588
Cost of sales	4,617,368	254,956	4,872,324
Gross profit	1,815,352	140,912	1,956,264
Operating income	677,348	59,882	737,230
Operating income as a percentage of net sales	10.5%	15.1%	10.8%
Financial income/expenses, net	△16,543	3	△16,540
Other non-operating income/expenses, net	△10,460	△161	△10,621
Ordinary income	650,345	59,724	710,069
Income before income taxes and minority interests	634,818	59,806	694,624
Net income	¥ 458,611	¥ 36,554	¥ 495,165

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

	Current fiscal year (For the year ended March 31, 2003)		
	Automobile	Sales finance	Consolidated
I Cash flows from operating activities			
Income before income taxes and minority interests	¥ 634,818	¥ 59,806	¥ 694,624
Depreciation and amortization	213,569	157,556	371,125
Decrease (increase) in finance receivables	64,057	△391,414	△327,357
Other	△115,097	△47,917	△163,014
Net cash provided by (used in) operating activities	797,347	△221,969	575,378
II Cash flows from investing activities			
Proceeds from sales of investment securities	39,816	13,842	53,658
Proceeds from sales of property, plant and equipment	94,828	3,871	98,699
Purchases of fixed assets	△376,429	△1,500	△377,929
Purchases of leased vehicles	△33,522	△450,182	△483,704
Proceeds from sales of leased vehicles	15,644	243,431	259,075
Other	△46,720	△18,453	△65,173
Net cash used in investing activities	△306,383	△208,991	△515,374
III Cash flows from financing activities			
(Decrease) increase in short-term borrowings	△369,506	315,196	△54,310
Decrease in long-term borrowings	△81,106	91,044	9,938
Increase in bonds and debentures	85,000	–	85,000
Other	△138,392	25,000	△113,392
Net cash (used in) provided by financing activities	△504,004	431,240	△72,764
IV Effect of exchange rate changes on cash and cash equivalents	1,174	△520	654
V Decrease in cash and cash equivalents	△11,866	△240	△12,106
VI Cash and cash equivalents at beginning of the year	272,742	6,911	279,653
VII Increase due to inclusion in consolidation	2,297	–	2,297
VIII Decrease due to exclusion from consolidation	△27	–	△27
IX Cash and cash equivalents at end of the year	¥ 263,146	¥ 6,671	¥ 269,817

Geographical Segment Information

For the six months ended September 30, 2002

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales:							
(1) Sales to third parties	¥1,226,161	¥1,372,286	¥461,110	¥225,906	¥3,285,463	–	¥3,285,463
(2) Inter-area sales	821,793	12,016	13,446	2,235	849,490	¥(849,490)	0
Total	2,047,954	1,384,302	474,556	228,141	4,134,953	(849,490)	3,285,463
Operating expenses	1,873,775	1,235,494	467,587	216,860	3,793,716	(856,552)	2,937,164
Operating income	¥ 174,179	¥ 148,808	¥ 6,969	¥ 11,281	¥ 341,237	¥ 7,062	¥ 348,299

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

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 six months ended September 30, 2003

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations	Consolidated
Net sales:							
(1) Sales to third parties	¥1,218,388	¥1,562,260	¥567,291	¥208,310	¥3,556,249	–	¥3,556,249
(2) Inter-area sales	830,371	18,410	12,067	2,145	862,993	¥(862,993)	0
Total	2,048,759	1,580,670	579,358	210,455	4,419,242	(862,993)	3,556,249
Operating expenses	1,855,473	1,398,998	567,804	201,146	4,023,421	(868,304)	3,155,117
Operating income	¥ 193,286	¥ 181,672	¥ 11,554	¥ 9,309	¥ 395,821	¥ 5,311	¥ 401,132

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

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 ....France, 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

3. Changes in method of accounting

(1) NMUK pension

Effective April 1, 2003, Nissan Motor Manufacturing (UK) Ltd., a consolidated subsidiary, implemented early adoption of a new UK accounting standard for retirement benefits. The effect of this change was to decrease operating income in Europe by ¥765 million.

(2) Leases

Until the year ended March 31, 2003, noncancelable lease transactions of the Company and its domestic consolidated subsidiaries were accounted for as operating leases (whether such leases were classified as operating or finance leases) except that lease agreements which stipulated the transfer of ownership of the leased assets to the lessee were accounted for as finance leases.

Effective April 1, 2003, the Company and its domestic consolidated subsidiaries changed their method of accounting for finance leases accounted for as operating leases and commenced accounting for them as finance leases instead of operating leases. This change was made, given the increasing materiality of the lease transactions as well as from an international point of view, in order to achieve a better matching of revenue and expenses by calculating manufacturing costs more accurately and to establish a better presentation of their financial position by reflecting these lease transactions more appropriately in the consolidated financial statements. The effect of this change in method of accounting was to decrease sales, operating expenses and operating income in Japan by ¥9,456 million, ¥20,313 million and ¥10,857 million, respectively, for the six months ended September 30, 2003 from the corresponding amounts which would have been recorded if the previous method had been followed.

For the year ended March 31, 2003

(Millions of yen)

	Japan	North America	Europe	Other foreign countries	Total	Eliminations or corporate	Consolidated
Sales and operating income:							
Sales:							
(1) Sales to third parties	¥2,554,374	¥2,879,500	¥963,440	¥431,274	¥6,828,588	–	¥6,828,588
(2) Inter-area sales and transfers	1,766,102	32,763	26,765	4,174	1,829,804	¥△1,829,804	0
Total	4,320,476	2,912,263	990,205	435,448	8,658,392	△1,829,804	6,828,588
Operating expenses	3,929,920	2,607,699	968,253	418,682	7,924,554	△1,833,196	6,091,358
Operating income	¥ 390,556	¥ 304,564	¥ 21,952	¥ 16,766	¥ 733,838	¥ 3,392	¥ 737,230

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

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 ....France, 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

Overseas Sales

For the six months ended September 30, 2002

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas sales	¥1,328,476	¥467,483	¥382,884	¥2,178,843
II Consolidated net sales				3,285,463
III Overseas sales as a percentage of consolidated net sales	40.4%	14.2%	11.7%	66.3%

Notes: 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 relationships.

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 .... The United Kingdom, Spain, Germany and other European countries

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

For the six months ended September 30, 2003

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas sales	¥1,536,960	¥573,839	¥377,025	¥2,487,824
II Consolidated net sales				3,556,249
III Overseas sales as a percentage of consolidated net sales	43.3%	16.1%	10.6%	70.0%

Notes: 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 relationships.

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 .... The United Kingdom, Spain, France 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, 2003

(Millions of yen)

	North America	Europe	Other foreign countries	Total
I Overseas sales	¥2,785,334	¥974,872	¥763,368	¥4,523,574
II Consolidated net sales				6,828,588
III Overseas sales as a percentage of consolidated net sales	40.8%	14.3%	11.1%	66.2%

Notes: 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 relationships.

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 .... The United Kingdom, Spain, France and other European countries

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

Amounts Per Share

For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
Net assets per share ¥395.89 Basic net income per share ¥ 68.34 Diluted net income per share ¥ 67.78 (Supplemental information) Effective April 1, 2002, the Company adopted "Accounting Standard for Net Income Per Share" (Accounting Standard No. 2) and "Application Guideline for Accounting Standard for Net Income Per Share" (Application Guideline for Accounting Standard No. 4) issued by the Accounting Standards Board of Japan on September 25, 2002. The following amounts would have been recorded if the Company had followed the method adopted in the prior year: Net assets per share ¥369.22 Basic net income per share ¥ 63.75 Diluted net income per share ¥ 63.25	Net assets per share ¥461.30 Basic net income per share ¥ 57.40 Diluted net income per share ¥ 56.83	Net assets per share ¥434.11 Basic net income per share ¥117.75 Diluted net income per share ¥116.88 Effective the year ended March 31, 2003, the Company and its consolidated subsidiaries have adopted a new accounting standard for earnings per share (Accounting Standard No. 2 announced by the Accounting Standard Board of Japan; "ASBJ") as well as an accounting implementation guidance on the revised accounting standard for earnings per share (Accounting Standard Implementation Guidance No. 4 issued by the ASBJ). If the results had been restated in accordance with the new standard for the year ended March 31, 2003, the following amounts would have been recorded: Net assets per share ¥404.89 Basic net income per share ¥109.93 Diluted net income per share ¥109.17

Note: Basic net income per share and diluted net income per share are calculated based on the following:

	For the six months ended September 30, 2002	For the six months ended September 30, 2003	For the year ended March 31, 2003
Basic net income per share Net income (Millions of yen)	¥ 287,705	¥ 237,680	¥ 495,165
Amount not attributable to common shareholders (Millions of yen)	–	–	407
(Directors' bonuses as a distribution of profit)	–	–	407
Net income attributable to common shares (Millions of yen)	287,705	237,680	494,758
Average number of shares during the period	4,209,699	4,140,479	4,201,802
Diluted net income per share Adjustments to net income (Millions of yen)	13	–	–
(Adjustments relating to interest (net of taxes))	12	–	–
(Adjustments relating to other expenses (net of taxes))	1	–	–
Increase in shares of common stock	35,336	42,178	31,348
(Conversion of convertible bonds)	3,738	–	–
(Exercise of warrants)	31,598	40,435	31,348
(Exercise of stock options)	–	1,743	–
Securities excluded from the computation of diluted net income per share because they do not have dilutive effect.	–	–	–

Significant Subsequent Events

<table>
<tr><th>For the six months ended September 30, 2002</th><th>For the six months ended September 30, 2003</th><th>For the year ended March 31, 2003</th></tr>
<tr><td>—</td><td>—</td><td>
1 In accordance with Articles 280-20 and 280-21 of the Commercial Code of Japan and a resolution approved at the 103rd annual general meeting of the shareholders held on June 20, 2002, the Company decided, at a meeting of the directors held on April 23, 2003, that a stock option plan for certain employees of the Company and for directors and certain employees of certain subsidiaries would be implemented as follows:
1) Stock options: Stock options (No. 1) to purchase shares of common stock of the Company
2) Nature and number of shares: 12,430,000 shares of common stock
3) Number of stock options granted: 124,300 units
4) Issuance price and date: The stock options will be issued at no cost to the eligible participants in the plan on May 7, 2003
5) Exercise price: ¥93,200 per option, or ¥932 per share
6) The directors, employees and options are summarized as follows:
<table>
<tr><th></th><th>Number</th><th>Number of options issued</th></tr>
<tr><td>The Company’s employees</td><td>548</td><td>104,100</td></tr>
<tr><td>Directors of domestic subsidiaries</td><td>101</td><td>19,400</td></tr>
<tr><td>Employees of domestic subsidiaries</td><td>5</td><td>800</td></tr>
<tr><td>Total</td><td>654</td><td>124,300</td></tr>
</table>
2 The Company will incorporate a firm in a comprehensive and strategic alliance with Dongfeng Motor Corporation (headquarters: Shiyan City, Hubei Province) in China. The commercial license will be authorized by the State Industrial and Commercial Administration Bureau on May 20, 2003 and the new company will commence business on July 1, 2003. Its profile is as follows:
1) Name of corporation: Dongfeng Motor Co., Ltd.
2) Location of headquarters: City of Wuhan, Hubei Province, PRC
3) Description of business: Manufacture and sales of passenger and commercial vehicles, buses, trucks and others
4) Registered share capital: 16.7 billion Chinese yuan (approximately ¥240 billion)
Of the share capital, 50% will be investments in assets (rather than cash) by Dongfeng Automotive Industry Investment Co., Ltd. and the remaining 50% will be a cash investment in capital by the Company.
5) Number of employees: Approximately 74,000 (including those at subsidiaries)
</td></tr>
</table>

(2) Other

Not applicable.

Auditors' Report

December 18, 2002

Nissan Motor Co., Ltd.
Director and President Carlos Ghosn

Shin Nihon & Co.

Representative and Engagement Partner	Kazuo Suzuki
Representative and Engagement Partner	Kenji Ota
Engagement Partner	Yoji Murohashi

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, the semiannual consolidated statement of 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, 2002 to September 30, 2002 of the consolidation accounting term from April 1, 2002 to March 31, 2003.

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, 2002, 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.

Independent Auditors' Report

December 17, 2003

The Board of Directors
Nissan Motor Co., Ltd.

Shin Nihon & Co.

Representative and Engagement Partner	Kazuo Suzuki
Representative and Engagement Partner	Kenji Ota
Engagement Partner	Yoji Murohashi

Pursuant to Article 193-2 of the Securities and Exchange Law of Japan, we have performed semiannual audit procedures on the accompanying semiannual consolidated balance sheets of Nissan Motor Co., Ltd. and consolidated subsidiaries as of September 30, 2003 and 2002, and the related semiannual consolidated statements of income, shareholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These semiannual consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion independently on these semiannual consolidated financial statements based on our semiannual audit procedures.

We conducted our semiannual audit procedures in accordance with semiannual auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the semiannual audit procedures to obtain reasonable assurance about whether the semiannual consolidated financial statements taken as a whole are free of material misstatement with respect to the presentation of useful accounting information which may result in misinterpretation by investors. Semiannual audit procedures consist primarily of analytical review procedures and additional audit procedures as deemed necessary. We believe that our semiannual audit procedures provide a reasonable basis for our opinion.

In our opinion, the semiannual financial statements referred to above present useful accounting information regarding the semiannual consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries at September 30, 2003 and 2002, and the consolidated results of their operations and their cash flows for the six-month periods then ended in conformity with accounting principles and practices applicable to semiannual consolidated financial statements generally accepted in Japan.

Supplementary Information:

As described in "Supplementary Information" to the accompanying semiannual consolidated financial statements, the Company and its consolidated subsidiaries have changed their method of valuation of inventories and their method of accounting for leases. In addition, a consolidated subsidiary, Nissan Motor Manufacturing (UK) Ltd., has revised its pension accounting in accordance with their early adoption of a revised UK standard.

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