



Brief Note of Consolidated Financial Status

28 July 2006

Company Name : Nissan Diesel Motor Co.,Ltd.

Listed Stock Exchange : Tokyo(TSE)

Company Number : 7210

Head Office

: Saitama

(URL <http://www.nissandiesel.co.jp/>)

Delegate : Iwao Nakamura

President

Reference : Yutaka Hiroshige

General Manager of Public Relations and IR Department

TEL : (048)726-7601

A date of directors meeting : 28 July 2006

Parent company and other affiliated company name : AB Volvo

1. Matter such as making general condition in the 1st quarter

Adopted the simplified accounting method : Yes

A part of asset is calculated by the book inventory based on the actual inventory in the end of previous fiscal year

Difference in accounting policies from previous year : Nothing

Changes of subsidiaries and affiliates : Nothing

Fully consolidated : new - 0, deconsolidated - 0, By equity method : new - 0, deconsolidated - 0

2. Consolidated business results in the 1st quarter of FY2006 (1 April 2006 ~ 30 June 2006)

(1) Consolidated operating results

	Sales		Operating income		Ordinary income		Net income	
	million Yen	%	million Yen	%	million Yen	%	million Yen	%
1st quarter of FY2006	105,578	2.1	4,861	19.2	4,936	22.2	1,888	67.8
1st quarter of FY2005	103,403	3.0	6,014	18.3	6,343	5.7	5,861	11.1
(Note) FY2005	482,827		33,454		33,206		29,089	

	Net income per share	Diluted net income per share
	Yen	Yen
1st quarter of FY2006	6.16	3.25
1st quarter of FY2005	24.01	7.80
(Note) FY2005	108.73	42.15

Qualitative information about consolidated business results

In the first quarter, the domestic truck market totaled 23,557 units, up 23.3% over the previous first quarter, because of increased substitute demand owing to the tightening of diesel emission regulations. Nissan Diesel accounted for 3,643 new truck registrations, up 10.4%, corresponding to a market share of 15.5%. In overseas markets, exports to the Middle East and Africa increased, as did unit sales of Nissan Diesel South Africa (Pty) Ltd., the company's subsidiary in that market.

Domestic sales came to 63,580 million yen, up 5.1% compared with the previous first quarter, and overseas sales amounted to 24,419 million yen, up 28.3%, though sales to Nissan Motor Co., Ltd. were down 26.3% to 17,577 million yen. As a result, overall sales totaled 105,578 million yen, a gain of 2.1%.

Operating income was 4,861 million yen, down 19.2%, and ordinary income was 4,936 million yen, down 22.2%, even though sales increased and costs were reduced through rationalization. The main reasons for the decline were an absence of the technology licensing income realized in the previous fiscal year, increased development costs and higher material prices.

Net income came to 1,888 million yen, down 67.8%, on account of the provision made for corporate income taxes, in contrast to the previous fiscal year when income taxes were refunded.

(2) Consolidated financial position

	Total assets	Net assets	Net equity ratio	Net assets per share
	million Yen	million Yen	%	Yen
1st quarter of FY2006	401,259	123,819	30.2	209.67
1st quarter of FY2005	408,461	106,127	26.0	0.55
(Note) FY2005	432,838	121,876	28.2	209.58

(3) Consolidated cash flow condition

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the term end
	million Yen	million Yen	million Yen	million Yen
1st quarter of FY2006	7,029	1,789	13,200	25,199
1st quarter of FY2005	2,979	1,316	17,321	21,972
(Note) FY2005	45,456	165	35,355	47,258

Qualitative information about consolidated financial conditions

Financial conditions

Total assets stood at 401,259 million yen, down 31,579 million yen from the end of the previous fiscal year.

As for assets, Cash and cash equivalents decreased by 22,058 million yen, notes and accounts receivable decreased by 10,946 million yen, and inventories increased by 8,691 million yen. As for liabilities, though commercial paper decreased by 20,000 million yen, the company issued straight corporate bonds in the amount of 10,000 million yen in June 2006.

Accordingly, interest-bearing debt stood at 118,364 million yen and net interest-bearing debt was 93,146 million yen.

Net assets decreased by 495 million yen to 123,819 million yen, compared with 124,314 million yen at the end of the previous fiscal year which included the addition of minority interests to shareholders' equity. The net equity ratio was 30.2%.

One of the factors involved here was that the revaluation surplus on investment securities decreased according to the market value of investment securities.

Cash flow conditions

Cash flow from operating activities decreased by 7,029 million yen, due to the increase in inventories, payment of incomes taxes and the decrease in purchase debt, though sales credits decreased.

Cash flow from investing activities decreased by 1,789 million yen, due to payments for purchases of fixed assets.

Cash flow from financing activities decreased by 13,200 million yen, due to the decrease in commercial paper and dividend payments, though the company issued straight corporate bonds.

As a result, cash and cash equivalents decreased by 22,058 million yen from the end of the previous fiscal year.

(Reference)

(1) Nonconsolidated operating results

	Sales		Operating income		Ordinary income		Net income	
	million Yen	%	million Yen	%	million Yen	%	million Yen	%
1st quarter of FY2006	82,483	1.6	4,969	27.4	5,187	29.1	3,398	55.6
1st quarter of FY2005	83,856	-	6,840	-	7,313	-	7,646	-
(Note) FY2005	366,427		25,322		25,866		24,380	

	Net income per share	Diluted net income per share
	Yen	Yen
1st quarter of FY2006	11.09	5.85
1st quarter of FY2005	31.33	10.18
(Note) FY2005	90.71	35.32

(2) Nonconsolidated financial position

	Total assets	Net assets	Net equity ratio	Net assets per share
	million Yen	million Yen	%	Yen
1st quarter of FY2006	349,044	112,063	32.1	179.75
1st quarter of FY2005	343,171	101,431	29.6	18.69
(Note) FY2005	383,358	111,222	29.0	174.80

3. Consolidated business plan of FY2006 (1 April 2006 ~ 31 March 2007)

Qualitative information about the forecast

As the company's performance is almost in line with our projections, the forecasts announced on 11 March 2006 for the full year remain unchanged.

The actual results may differ from the projected figures owing to the influence of various factors in the coming months.

4 . Consolidated financial reports
(1) Consolidated Balance Sheet

(Yen in millions, rounded down)

	30 June 2006	31 March 2006	Difference		30 June 2005
	Amount	Amount	Amount	Ratio	Amount
(ASSETS)				%	
Current Assets					
1. Cash & bank deposit	25,218	47,277	22,058	46.7	21,992
2. Notes & accounts receivable	77,302	88,248	10,946	12.4	93,306
3. Inventories	53,997	45,306	8,691	19.2	42,210
4. Other current assets	14,908	16,894	1,985	11.8	12,419
5. Allowance for doubtful debt	6,064	5,961	102	1.7	5,863
Total current assets	165,362	191,764	26,401	13.8	164,066
Fixed Assets					
1. Tangible assets	202,413	202,706	292	0.1	208,868
2. Intangible assets	5,575	5,721	145	2.5	5,804
3. Investment & other assets	27,906	32,646	4,739	14.5	29,723
Total fixed assets	235,896	241,074	5,177	2.1	244,395
TOTAL ASSETS	401,259	432,838	31,579	7.3	408,461
(LIABILITIES)					
Current liabilities					
1. Notes & accounts payable	94,857	101,231	6,373	6.3	91,224
2. Short-term borrowings	7,489	9,019	1,529	17.0	30,438
3. Commercial paper	—	20,000	20,000	100.0	10,000
4. Current portion of long-term debt	38,540	38,554	14	0.0	18,642
5. Other current liabilities	30,346	39,370	9,024	22.9	32,140
Total current liabilities	171,233	208,176	36,942	17.7	182,445
Long-term liabilities					
1. Straight bond	40,000	30,000	10,000	33.3	15,000
2. Long-term borrowings	32,335	32,395	60	0.2	66,382
3. Allowance for severance benefit and pension plan	7,814	7,739	74	1.0	7,642
4. Accrued pension costs by shifting to defined pension scheme	15,226	19,382	4,156	21.4	20,493
5. Other long-term liabilities	10,831	10,830	0	0.0	8,658
Total long-term liabilities	106,206	100,348	5,858	5.8	118,177
TOTAL LIABILITIES	277,440	308,524	31,084	10.1	300,623
(MINORITY INTEREST)					
Minority interest	—	2,437	—	—	1,710
(SHAREHOLDERS' EQUITY)					
Common and preferred stock	—	38,597	—	—	65,835
Capital surplus	—	30,915	—	—	6,459
Earned surplus	—	43,257	—	—	23,925
Revaluation excess on land	—	2,926	—	—	6,910
Revaluation excess on investment securities	—	5,349	—	—	2,847
Translation adjustments	—	853	—	—	163
Treasury stock	—	23	—	—	14
TOTAL SHAREHOLDERS' EQUITY	—	121,876	—	—	106,127
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS'	—	432,838	—	—	408,461

	30 June 2006	31 March 2006	Difference		30 June 2005
	Amount	Amount	Amount	Ratio	Amount
(NET ASSETS)					
Owners' equity					
1. Common and preferred stock	38,597	—	—	—	—
2. Capital surplus	30,915	—	—	—	—
3. Earned surplus	43,552	—	—	—	—
4. Treasury stock	24	—	—	—	—
Total owners' equity	113,040	—	—	—	—
Valuation and translation adjustments					
1. Revaluation excess on investment securities	4,319	—	—	—	—
2. Revaluation excess on land	2,926	—	—	—	—
3. Translation adjustments	944	—	—	—	—
Total valuation and translation adjustments	8,190	—	—	—	—
Minority interest	2,588	—	—	—	—
TOTAL NET ASSETS	123,819	—	—	—	—
TOTAL LIABILITIES AND NET ASSETS	401,259	—	—	—	—

(2) Consolidated Profit & Loss Statement

(Yen in millions, rounded down)

	1st quarter of FY2006		1st quarter of FY2005		Difference		PREVIOUS FISCAL YEAR	
	From 1 April 2006 to 30 June 2006		From 1 April 2005 to 30 June 2005				From 1 April 2005 to 31 March 2006	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Net sales	105,578	100.0	103,403	100.0	2,174	2.1	482,827	100.0
Cost of sales	82,652	78.3	80,038	77.4	2,613	3.3	378,949	78.5
Gross profit	22,925	21.7	23,364	22.6	438	1.9	103,877	21.5
Selling, General & Administrative expenses	18,064	17.1	17,350	16.8	714	4.1	70,423	14.6
Operating income	4,861	4.6	6,014	5.8	1,153	19.2	33,454	6.9
Non-operating income	756	0.7	965	0.9	209	21.7	3,203	0.7
Non-operating expense	680	0.6	637	0.6	43	6.8	3,450	0.7
Ordinary income	4,936	4.7	6,343	6.1	1,406	22.2	33,206	6.9
Extraordinary gain	17	0.0	24	0.0	6	26.5	3,224	0.7
Extraordinary loss	205	0.2	136	0.1	68	50.0	2,365	0.5
Profit before income taxes	4,749	4.5	6,230	6.0	1,481	23.8	34,066	7.1
Income taxes	2,709	2.6	237	0.2	2,472	1,039.4	4,225	0.9
Minority interest	151	0.1	131	0.1	19	15.1	751	0.2
Net income	1,888	1.8	5,861	5.7	3,973	67.8	29,089	6.0

5 . Concerning sales

(Yen in millions, rounded down)

	1st quarter of FY2006 From 1 April 2006 to 30 June 2006		1st quarter of FY2005 From 1 April 2005 to 30 June 2005		Difference	
	The number	Sales	The number	Sales	The number	Sales
Domestic	-	63,580	-	60,521	-	3,058
Vehicles	4,036	34,076	3,721	31,011	315	3,065
Others	-	29,503	-	29,510	-	6
Nissan	-	17,577	-	23,845	-	6,266
Vehicles	6,734	8,856	9,950	12,880	3,216	4,023
Others	-	8,721	-	10,965	-	2,243
Overseas	-	24,419	-	19,037	-	5,382
Vehicles	5,058	20,239	4,697	16,120	361	4,119
Others	-	4,180	-	2,917	-	1,262
Total sales	-	105,578	-	103,403	-	2,174

6 . Nonconsolidated financial reports
(1) Nonconsolidated Balance Sheet

(Yen in millions, rounded down)

	30 June 2006	31 March 2006	Difference		30 June 2005
	Amount	Amount	Amount	Ratio	Amount
(ASSETS)				%	
Current Assets					
1. Cash & bank deposit	13,540	36,374	22,834	62.8	8,539
2. Notes & accounts receivable	107,910	122,825	14,915	12.1	121,477
3. Inventories	26,611	22,391	4,220	18.8	18,050
4. Other current assets	56,408	54,208	2,199	4.1	45,480
5. Allowance for doubtful debt	173	173	—	—	175
Total current assets	204,297	235,627	31,329	13.3	193,373
Fixed Assets					
1. Tangible assets	83,694	83,891	196	0.2	89,588
2. Intangible assets	5,485	5,644	159	2.8	5,753
3. Investment & other assets	55,566	58,194	2,628	4.5	54,456
Total fixed assets	144,746	147,730	2,984	2.0	149,797
TOTAL ASSETS	349,044	383,358	34,314	9.0	343,171
(LIABILITIES)					
Current liabilities					
1. Notes & accounts payable	64,298	67,750	3,451	5.1	59,670
2. Short-term borrowings	7,490	8,990	1,500	16.7	14,490
3. Commercial paper	—	20,000	20,000	100.0	10,000
4. Current portion of long-term debt	38,540	38,540	—	—	18,422
5. Other current liabilities	30,361	47,070	16,709	35.5	31,078
Total current liabilities	140,690	182,351	41,660	22.8	133,660
Long-term liabilities					
1. Straight bond	40,000	30,000	10,000	33.3	15,000
2. Long-term borrowings	32,335	32,370	35	0.1	65,875
3. Allowance for severance benefit and pension plan	7,184	7,123	60	0.8	7,031
4. Accrued pension costs by shifting to defined pension scheme	11,309	14,827	3,517	23.7	15,392
5. Other long-term liabilities	5,462	5,464	1	0.0	4,780
Total long-term liabilities	96,290	89,785	6,505	7.2	108,079
TOTAL LIABILITIES	236,980	272,136	35,155	12.9	241,740
(SHAREHOLDERS' EQUITY)					
Common and preferred stock	—	38,597	—	—	65,835
Capital surplus	—	30,915	—	—	6,459
Earned surplus	—	35,628	—	—	22,789
Revaluation excess on land	—	997	—	—	3,625
Revaluation excess on investment securities	—	5,106	—	—	2,735
Treasury stock	—	23	—	—	14
TOTAL SHAREHOLDERS' EQUITY	—	111,222	—	—	101,431
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS'	—	383,358	—	—	343,171

	30 June 2006	31 March 2006	Difference		30 June 2005
	Amount	Amount	Amount	Ratio	Amount
(NET ASSETS)					
Owners' equity					
1. Common and preferred stock	38,597	—	—	—	—
2. Capital surplus	30,915	—	—	—	—
3. Earned surplus	37,433	—	—	—	—
4. Treasury stock	24	—	—	—	—
Total owners' equity	106,921	—	—	—	—
Valuation and translation adjustments					
1. Revaluation excess on investment securities	4,143	—	—	—	—
2. Revaluation excess on land	997	—	—	—	—
Total valuation and translation adjustments	5,141	—	—	—	—
TOTAL NET ASSETS	112,063	—	—	—	—
TOTAL LIABILITIES AND NET ASSETS	349,044	—	—	—	—

(2) Nonconsolidated Profit & Loss Statement

(Yen in millions, rounded down)

	1st quarter of FY2006		1st quarter of FY2005		Difference		PREVIOUS FISCAL YEAR	
	From 1 April 2006 to 30 June 2006		From 1 April 2005 to 30 June 2005				From 1 April 2005 to 31 March 2006	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
Net sales	82,483	100.0	83,856	100.0	1,373	1.6	366,427	100.0
Cost of sales	69,065	83.7	68,969	82.2	95	0.1	301,462	82.3
Gross profit	13,417	16.3	14,886	17.8	1,469	9.9	64,965	17.7
Selling, General & Administrative expenses	8,447	10.3	8,046	9.6	401	5.0	39,642	10.8
Operating income	4,969	6.0	6,840	8.2	1,870	27.3	25,322	6.9
Non-operating income	714	0.9	978	1.1	263	26.9	3,354	0.9
Non-operating expense	497	0.6	506	0.6	8	1.7	2,810	0.7
Ordinary income	5,187	6.3	7,313	8.7	2,125	29.1	25,866	7.1
Extraordinary gain	0	0.0	2	0.0	2	89.8	2,953	0.8
Extraordinary loss	88	0.1	52	0.0	35	67.3	1,880	0.5
Profit before income taxes	5,099	6.2	7,263	8.7	2,163	29.8	26,939	7.4
Income taxes	1,701	2.1	383	0.4	2,085	—	2,559	0.7
Net income	3,398	4.1	7,646	9.1	4,248	55.6	24,380	6.7