

February 2007

Mitsubishi UFJ Securities Co., Ltd.

To the Shareholders of Nissan Diesel Motor Co., Ltd.

Dear Shareholder:

On February 20, 2007, NA Co. Ltd. (“NA” or the “Tender Offeror”), a wholly-owned subsidiary of Aktiebolaget Volvo (“Volvo”), announced that it will commence a tender offer (the “Tender Offer”) for all of the outstanding shares of common stock and the Series One through Three Stock Acquisition Rights of Nissan Diesel Motor Co., Ltd.¹ (the “Company”).

As tender offer agent for the Tender Offeror, we have been requested by Volvo and NA to send documents relating to the Tender Offer to the shareholders of the Company. We also enclose item 3 below (“Press Release of the Company: “Announcement Concerning Expression of Opinion for Tender Offer for Shares of the Company” (February 20, 2007)) at the request of the Company.

We hereby request that you review the enclosed documents and carefully consider whether to tender your shares in the Tender Offer at your own discretion and responsibility.

Very truly yours,

Mitsubishi UFJ Securities Co., Ltd.
Tender Offer Agent for NA

Enclosed Documents:

- (1) “To the Shareholders of Nissan Diesel Motor Co., Ltd.”
- (2) Press Release of NA: “Notice of Commencement of the Tender Offer for Shares of Nissan Diesel Motor Co., Ltd.” (February 20, 2007)
- (3) Press Release of the Company: “Announcement Concerning Expression of Opinion for Tender Offer for Shares of the Company” (February 20, 2007)
- (4) Tender Offer Explanatory Statement (Japanese)
- (5) Tender Offer Explanatory Statement (English)

THIS ENGLISH LETTER TO SHAREHOLDERS HAS BEEN PREPARED SOLELY FOR THE CONVENIENCE OF NON-JAPANESE SPEAKING SHAREHOLDERS OF THE COMPANY. WHILE THOSE ENGLISH TRANSLATIONS ARE BELIEVED TO BE GENERALLY ACCURATE, NONE OF NA, VOLVO OR MITSUBISHI UFJ SECURITIES CO., LTD. SHALL BE RESPONSIBLE FOR ANY INCONSISTENCY BETWEEN THOSE ENGLISH TRANSLATIONS AND THE CORRESPONDING JAPANESE-LANGUAGE ORIGINALS. SUCH JAPANESE-LANGUAGE ORIGINALS SHALL BE THE CONTROLLING DOCUMENTS FOR ALL PURPOSES.

Please note that English translations of certain documents entitled “Frequently Asked Questions and Answers”, “Information Regarding Administrative Procedures”, and “List of Mitsubishi UFJ Securities Domestic Branches” were not prepared and, therefore, are not included in this package.

¹ Except for the treasury stock owned by the Company.

This notice is distributed to all shareholders recorded on the shareholders' register of the Company as of September 30, 2006, which Volvo duly acquired from the Company pursuant to relevant laws. We have been informed by Volvo that Volvo will not use the shareholder information in the shareholders' register for any purpose other than the provision of information on and solicitation of the Tender Offer.

This notice is intended to provide information and therefore is distributed to shareholders who hold shares constituting less than a whole unit. Therefore, please be advised that if you hold shares constituting less than a whole unit, you may not be able to tender your shares in the Tender Offer.

As for the shares constituting less than a whole unit, if you physically hold share certificates or your shares are held through the Japan Securities Depository Center, Inc., you may tender your shares in the Tender Offer. If a shareholder of the Company exercises appraisal rights against the Company with respect to shares constituting less than a whole unit, the Company will purchase the relevant shares pursuant to legal and regulatory procedures as in the past. Exercise of appraisal rights is handled at the head office or at a branch office in Japan of Mizuho Trust and Banking Co., Ltd., a share registration agent that administers the shareholder list of the Company (Tel: 0120- 288-324). Please be advised that the purchase price pursuant to an exercise of appraisal rights shall be the closing price of the Company's shares on the Tokyo Stock Exchange on the date when such request arrives at Mizuho Trust and Banking Co., Ltd.

[Translation]

February 20, 2007

To whom it may concern

Company Name:	NA Co., Ltd.
Name of Representative:	Jan Magnusson Representative Director

Notice of Commencement of the Tender Offer for Shares of Nissan Diesel Motor Co., Ltd.

The Company announces that it resolved at the meeting of its Board of Directors held on February 20, 2007 to acquire the shares and stock acquisition rights of Nissan Diesel Motor Co., Ltd. (Code Number: 7210, Tokyo Stock Exchange First Section; “Target Company” or “Nissan Diesel”) through a tender offer (“Tender Offer”) as set out below.

Note

1. Purposes of Tender Offer, etc.

(1) Outline of the Tender Offer

The Company, which is a wholly-owned subsidiary of Aktiebolaget Volvo (Head Office: Göteborg, Sweden, President and CEO: Leif Johansson) (“Volvo”) as of today, is a Special Purpose Company established for this acquisition. The Company shall conduct the Tender Offer for the purpose of acquiring all issued and outstanding shares of the Target Company, excluding the first class preferred stock, second class preferred stock and fourth class preferred stock held by Volvo (collectively, the “Preferred Stock”) and treasury stock held by the Target Company, and all stock acquisition rights of the Target Company. With respect to Preferred Stock issued by the Target Company, the Company has received from Volvo, the sole owner of such Preferred Stock, a notice to give consent that no offer to buy or solicitation of offer to sell be made. The Company shall supply the necessary financing required to settle the Tender Offer from its own funds as well as a loan from Volvo to be acquired by the commencement date of the settlement of the Tender Offer.

(2) Background to the Tender Offer

Volvo (i.e. the parent company of the Company) and its affiliates (together, the “Volvo Group”) are one of the world’s leading producers of trucks, buses, construction equipment, drive systems for marine and industrial applications and components for aircraft engines. The Volvo Group also provides financial services to its customers.

The Volvo Group has approximately 83,000 employees, production facilities in 18 countries and sales in approximately 185 countries. In the fiscal year ended December 31, 2006, the

Volvo Group's sales were approximately SEK 248.1 billion (approximately JPY 4,295.2 billion). Shares issued by Volvo are listed on the Stockholm Stock Exchange in Sweden and on the NASDAQ in the United States. As of December 29, 2006, Volvo's market capitalization was approximately SEK 200 billion (approximately JPY 3,462 billion) and its largest shareholder was Renault SA, which held 21.8% of the shares and 21.3% of the voting rights.

The Volvo Group is divided into the following eight business areas: Volvo Trucks, Renault Trucks, Mack Trucks, Buses, Construction Equipment, Volvo Penta, Volvo Aero, and Financial Services. In particular, the Volvo Group is Europe's largest and the world's second largest manufacturer of heavy trucks. All three truck companies in the Volvo Group have a unique and distinct brand-specific character and compete in specific markets as follows:

- Volvo Trucks manufactures medium-heavy to heavy trucks for long-haul, regional transport, and construction operations. Volvo Trucks' products are marketed and sold globally.
- Renault Trucks offers many types of vehicles from light trucks for delivery to heavy trucks for long haulage, with its strongest position in Europe.
- Mack Trucks manufactures heavy-duty trucks primarily for the vocational segment, heavy regional transports and refuse collection, with a focus on the North American market.

The Volvo Group is also the world's largest manufacturer of heavy-duty diesel engines. All development and production of diesel engines and gearboxes is concentrated into one single organization, Volvo Powertrain.

The Target Company manufactures and sells diesel engines, light, medium and heavy duty diesel trucks, buses, bus chassis and special-purpose vehicles. Nissan Diesel and its affiliates (the "Nissan Diesel Group") have approximately 8,900 employees and are manufacturing products and providing services globally with focus in Japan. In the fiscal year ended March 31, 2006, the Nissan Diesel Group's sales were approximately JPY 483 billion and its market capitalization as of December 29, 2006 was approximately JPY 122.1 billion.

In March 2006, Volvo acquired 40,000,000 shares of common stock of the Target Company from Nissan Motor Co., Ltd. ("Nissan") (approximately 13.1% of the common stock then issued) as well as an option to acquire an additional 18,211,000 shares of common stock (approximately 5.9% of the common stock then issued). In June 2006, Mr. Jorma Halonen, Volvo Group's Deputy Chief Executive Officer, assumed his current position of Vice Chairman of Nissan Diesel's Board of Directors. Further, in September 2006, Volvo exercised its rights under an option agreement with Nissan and increased its ownership of common stock of the Target Company to 58,211,000 shares (approximately 19.0% of the common stock then issued). At the same time, Volvo acquired all of the issued and outstanding Preferred Stock of the Target Company. Assuming full conversion occurred as of the date hereof, the Preferred Stock would represent 165,060,286 shares of common stock of Nissan Diesel, which would be equal to approximately 46.5% of the common stock of Nissan Diesel if combined with Volvo's current holding of common stock after taking into consideration the dilution effect from outstanding stock options.

(3) Purpose of the Tender Offer

Volvo considers the Japanese market to be strategically important and recognizes Nissan Diesel's positive operational and financial development in recent years, despite Nissan Diesel's somewhat limited resources.

However, within the commercial vehicle industry, product development and manufacturing costs are rapidly increasing as a result of stringent environmental requirements and other factors. Substantial investments are now required for research and development into new technologies to reduce vehicle emissions, and to develop alternative fuels and drivelines. This is encouraging further consolidation in the truck industry to achieve economies of scale and makes this Tender Offer more attractive to both parties.

Since April 2006, Volvo and Nissan Diesel have been examining different ways of achieving synergies in five main areas covering products, research and development, manufacturing, distribution and purchasing. However, significant investments will be required over the next two to four years to achieve these potential synergies. In this respect, Volvo believes that the financial stability offered to Nissan Diesel as a part of the Volvo Group would be beneficial in realizing and securing these potential synergies as well as further developing Nissan Diesel's business globally while still maintaining its Japanese base and heritage. Further, through 100% ownership by the Volvo Group, Volvo and Nissan Diesel will be able to make necessary decisions quickly and efficiently with a view to maximizing Nissan Diesel's long term corporate value.

Nissan Diesel would complement the Volvo Group both in terms of products and geographical coverage. As part of the Volvo Group, Nissan Diesel would be positioned to capture growth opportunities both within the Asia Pacific region and globally, thereby reducing its current large dependence on the Japanese market. In particular, Volvo believes that it would be in Volvo's and Nissan Diesel's best interest to conduct the Tender Offer at this time and to further increase integration between the two companies in order to be able to make the necessary decisions, as well as to plan and develop competitive products, ahead of the new Japanese emission regulations coming into effect in 2009 and 2010.

For the reasons stated above, the Company has decided to carry out the Tender Offer with the aim of acquiring all of the shares of the Target Company (excluding Preferred Stock held by Volvo and treasury stock held by the Target Company) and stock acquisition rights of the Target Company.

The Board of Directors of the Target Company has appointed Mizuho Securities Co., Ltd., a financial adviser independent of the Volvo Group, as a third party financial expert and requested it to undertake a share valuation. After sufficient consultation and negotiation with Volvo based on the advice from the financial adviser and the legal counsel, etc., the Board of Directors of the Target Company determined that the purchase price for the Tender Offer is fair and reasonable, and resolved to approve the Tender Offer at the meeting of the Board of Directors held on February 20, 2007 with the approval of all directors present. However, Mr. Jorma Halonen, the Executive Vice President of Volvo (Deputy Chief Executive Officer of Volvo Group) and a director of the Target Company, did not participate in the discussion and resolution at the meeting because there is an issue of conflict of interest. Also, each of the statutory auditors of the Target Company including outside statutory auditors expressed their support for the approval of the Tender Offer by the Board of Directors of the Target Company.

(4) Policy for Organizational Restructuring and Management Policies after the Tender Offer

Nissan Diesel will be integrated into the Volvo Group in the same way as business areas in the group, i.e. group-wide support functions within powertrain, purchasing, product development, product planning and IT, etc. will be introduced. Furthermore, key components such as engines and gearboxes, etc. will gradually be consolidated among all truck companies in the group into common platforms. It is also Volvo's intention that the future funding needs of Nissan Diesel will be managed within the overall funding and treasury operations of the Volvo Group, thereby providing financial support for Nissan Diesel going forward.

Nissan Diesel is expected to extensively manage the Volvo Group's truck activities in Japan, including the sale of Volvo branded trucks. In addition, Volvo will introduce Nissan Diesel's products to a number of markets globally where Nissan Diesel is not currently active. Nissan Diesel's own products will continue to be sold under the Nissan Diesel and UD brand names.

Volvo currently intends to keep the current Nissan Diesel management in place and expects that Nissan Diesel will continue to be run by Nissan Diesel's existing management after completion of the Tender Offer.

The Company will conduct the Tender Offer for the purpose of acquiring all of the share certificates, etc. (excluding the share certificates, etc. of the Preferred Stock held by Volvo and the treasury stock held by the Target Company) of the Target Company. However, if the Company fails to acquire all of the share certificates, etc. of the Target Company excluding Preferred Stock held by Volvo and the treasury stock held by the Target Company through the Tender Offer, the Company plans to acquire all of the common stock of the Target Company in the following manner while ensuring its ability to provide the shareholders of the Target Company with the opportunity to receive consideration for their stock.

If the Company acquired a substantial number of share certificates, etc. as a result of the Tender Offer, the Company currently intends to request the Target Company to hold (i) a shareholders' meeting at which the following proposals will be submitted: (a) to amend the Articles of Incorporation of the Target Company to impose an option to call all shares on all shares of common stock issued by the Target Company, and (b) to deliver other common stock of the Target Company in exchange for acquiring all of the class shares with an option to call all shares, and (ii) a class shareholders' meeting of the holders of common stock of the Target Company at which the proposal to amend the Articles of Incorporation of the Target Company as set out in (i)(a) will be submitted. The Company and its special related persons together intend to vote for approval of each of the above proposals at the shareholders' meeting and the class shareholders' meeting. If the foregoing procedures are conducted, all of the common stock issued by the Target Company will be converted into class shares with an option to call all shares by the Target Company. Although other common stock of the Target Company will be issued to the shareholders of the Target Company upon exercise of the call options, an application to list such common stock is not expected. Further, the shareholders of the Target Company who will receive fractions of a share of the common stock of the Target Company will be delivered cash obtained by selling the shares corresponding to such fractions in accordance with the procedures set forth in Japanese laws and regulations. The amount of money to be delivered to the shareholders as a result of the sale of shares corresponding to the total number of such fractions is expected to be calculated

on the same basis as the purchase price for the Tender Offer. The number of shares of common stock of the Target Company to be delivered in consideration for the acquisition of class shares with an option to call all shares has not been determined as of today, but will be determined so that the common stock of the Target Company to be delivered to the shareholders of the Target Company who did not tender their shares in the Tender Offer other than the Company will be fractions of a share in order for the Company to be able to acquire all of the common stock of the Target Company.

For the purpose of protecting minority shareholders, Article 116 and Article 117 of the Corporate Law and other provisions of relevant laws and regulations provide that shareholders may request the purchase of their shares if amendments are made to the articles of incorporation to impose an option to call all shares on common stock. Also, for similar reasons, Article 172 of the Corporate Law and other relevant laws and regulations provide that the shareholders may file a petition to determine the acquisition price of their shares if a comprehensive acquisition of shares with an option to call all shares is resolved at a shareholders' meeting. The purchase price and acquisition price per share determined in the above manner, however, may be different from the purchase price for the Tender Offer. To make a request or petition in the above manner, each shareholder should confirm and determine the necessary procedures at its own discretion.

The above method (i) to convert all common stock issued by the Target Company into class shares with an option to call all shares, and (ii) to deliver other common stock of the Target Company in exchange for acquiring all of such class shares with an option to call all shares may be replaced with another method with almost similar effect depending on the circumstances, including the interpretation of the relevant laws and regulations by relevant authorities, proportion of ownership of shares by the Company and by the Target Company's shareholders (other than the Company) after the Tender Offer and tax and financial effects in the consolidation of the Target Company and the Company. Even if such other method is adopted, the Company intends to ultimately adopt a method to cash out the Target Company's shareholders other than the Company.

If any stock acquisition rights remain outstanding after the successful completion of the Tender Offer, the Company intends to extinguish all the remaining stock acquisition rights (if any) pursuant to applicable laws and regulations.

The Company intends to acquire all the share certificates, etc. (excluding the Preferred Stock held by Volvo and the treasury stock held by the Target Company) of the Target Company. If the number of shareholders of the Target Company falls below a certain number as a result of the Tender Offer or if the shareholding ratio of the ten largest shareholders exceeds 90% as a result of the Tender Offer, the shares of the Target Company will be delisted through prescribed procedures in accordance with the criteria for delisting stock on the Tokyo Stock Exchange. The shares of the Target Company will also be delisted if the Target Company acquires all of its listed stock. After such delisting, it will not be possible to trade the shares of the Target Company on the Tokyo Stock Exchange, and it is expected to be difficult to sell the shares of the Target Company thereafter.

The Tender Offer is not intended to solicit the approval of shareholders of the Target Company at the shareholders' meeting referred to above. Please consult with a tax expert with respect to specific tax treatment of each of above procedures at your own discretion.

(Note 1) In this press release, the conversion of Swedish Krona into Japanese yen is calculated by reference to the middle rate of telegraphic transfer selling and buying rates quoted by the Bank of Tokyo-Mitsubishi UFJ, Ltd. on December 29, 2006, which is SEK1.00 = ¥17.31. The amount in yen is rounded down to the nearest whole yen.

2. Outline of the Tender Offer, etc.

(1) Outline of the Target Company

(i) Trade Name	Nissan Diesel Motor Co., Ltd.
(ii) Details of Business	Manufacture and sale of motor vehicles, engines and parts
(iii) Month and Year of Incorporation	May 1950
(iv) Address of Head Office	1-1, Ooaza, Ageo-shi, Saitama
(v) Name and Title of Representative	Iwao Nakamura President
(vi) Capital Amount	38,630 million yen (as of September 30, 2006)
(vii) Major Shareholders and Shareholding Ratio	(as of September 30, 2006)
	AB Volvo (Standing Agent: Daiwa Securities SMBC Co., Ltd.) 18.98%
	The Master Trust Bank of Japan, Ltd. (trust account) 4.92%
	Mizuho Corporate Bank, Ltd. 3.97%
	Japan Trustee Services Bank, Ltd. (trust account) 3.15%
	Nippon Life Insurance Company 2.54%
	Trust & Custody Services Bank, Ltd. (securities investment trust account) 2.39%
	Resona Bank, Limited 1.94%
	Morgan Stanley & Co. International Limited (Standing Agent: Morgan Stanley Japan Securities Co., Ltd.) 1.76%
	SOMPO JAPAN INSURANCE INC. 1.39%
	The Dai-Ichi Mutual Life Insurance Company (Standing Agent: Japan Trustee Services Bank, Ltd.) 1.36%

(Note 1) The above information on outline of the Target Company is based on the Target Company's Semiannual Report for the 82nd Term filed by the Target Company on December 26, 2006.

(Note 2) Shareholding ratio is calculated based on the total number of issued shares of common stock of the Target Company

as of September 30, 2006
(306,634,106 shares)

(viii) Relationship between the
Company and the Target
Company

Capital relationship: Volvo, parent of the Company (holding 100% of the Company's shares), holds 18.98% of the total number of issued shares of common stock of the Target Company and all of the issued shares of preferred stock of the Target Company.

Personnel relationship: Mr. Jorma Halonen, Volvo's Executive Vice President, also act as director and Vice Chairman of the Target Company.

Trade relationship: N/A

Related party: Volvo is a principal shareholder of the Target Company.

(2) Duration of the Tender Offer

(i) Tender offer duration at time of filing of registration statement

From February 21, 2007 (Wednesday) through March 23, 2007 (Friday) (22 business days)

(ii) Possible extension of tender offer period based on Target Company's request

If the Target Company submits an opinion report requesting an extension of the tender offer period pursuant to Article 27-10, Paragraph 3 of the Securities and Exchange Law (the "Law"), the period for the tender offer shall be 30 business days and it shall end on April 4, 2007 (Wednesday).

(3) Price of Tender Offer, etc.

Share certificate	Common stock: 540 yen per share
Certificate of stock acquisition rights	(i) First series stock acquisition rights: 224,000 yen per stock acquisition right
	(ii) Second series stock acquisition rights: 184,000 yen per stock acquisition right
	(iii) Third series stock acquisition rights: 127,000 yen per stock acquisition right

(4) Basis of Calculation of Purchase Price

(i) Basis of calculation

(a) Common stock

In determining the purchase price of shares of common stock in the Tender Offer, the Offeror requested that Mitsubishi UFJ Securities Co., Ltd. (“Mitsubishi UFJ Securities”), the financial advisor to the Offeror, calculate the share value of the Target Company in order to use it as reference data for determining the purchase price. Having conducted a review of which valuation method should be adopted, Mitsubishi UFJ Securities conducted valuations by the average market price method, the discounted cash flow (DCF) method, and the comparable company method, and calculated the value per share of common stock of the Target Company, comprehensively taking into consideration the calculations resulting from each of these methods. The ranges of value per share of common stock of the Target Company calculated by each of these methods are as follows.

Average market price method:	from 406 yen to 437 yen
DCF method:	from 413 yen to 590 yen
Comparable company method:	from 410 yen to 510 yen

The Company promoted the examination of the purchase price within the ranges stated above based on the results of the calculations referred to above and the advice of Mitsubishi UFJ Securities. The Company then determined the purchase price of 540 yen, comprehensively taking into consideration factors such as the synergies that would be created between the Target Company and Volvo, whether the Target Company would agree to the Tender Offer, and prospects of the Tender Offer, as well as taking into an account the results of discussions and negotiations with the Target Company. The purchase price in the Tender Offer is equal to the average of the closing sale prices of shares of the Target Company quoted on the first section of the Tokyo Stock Exchange for the past three month period ending on February 19, 2007 (410 yen, rounded to the nearest whole yen) plus a premium of approximately 32%.

(b) Stock acquisition rights

In determining the purchase price of the first series stock acquisition rights, second series stock acquisition rights and third series stock acquisition rights, the Company used the Black-Scholes option-pricing formula as its valuation technique pursuant to the Accounting Standard for Stock Options (ASBJ Statement No.8) and Guidance on Accounting Standards for Stock Options (ASBJ Guidance No.11) and determined the purchase price of the stock acquisition rights, taking into consideration various factors such as the exercise price, exercise period, exercise conditions and other particulars for each of the stock acquisition rights, stock price volatility, the purchase price for shares of common stock in the Tender Offer stated above, and that the potential dilution of share holding of the Company to the Target Company would be prevented by the Company acquiring the stock acquisition rights, as well as taking into an account the results of discussions and negotiations with the Target Company. The difference of purchase prices among each of the series is due to differences in the exercise prices (the exercise price per share is 335 yen for the first series stock acquisition rights, 442 yen for the second series stock acquisition rights and 661 yen for the third series stock acquisition rights as of the date hereof), exercise period (from July 1, 2006 to June 30, 2011 for the first series stock acquisition rights, from July 1, 2007 to June 30, 2012 for the second series stock acquisition rights, and from July 1, 2007 to March 31, 2013 for the third series stock acquisition rights) and other conditions. The purchase price of

each series of stock acquisition rights exceeds the difference between the purchase price (540 yen) for shares of common stock in the Tender Offer stated above and the exercise price of each series because the purchase price of the stock acquisition rights includes the option value. The option value is determined based on the estimated remaining period calculated on the basis of the exercise period and the stock price volatility.

(ii) Process of calculation

(a) Common stock

In determining the purchase price of shares of common stock in the Tender Offer, the Company requested that Mitsubishi UFJ Securities, the financial advisor to the Company, calculate the share value of the Target Company in order to use it as reference data for determining the purchase price. Upon receiving this request, Mitsubishi UFJ Securities conducted a review of which valuation method should be adopted, and, in light of various factors including the financial and operating conditions of the Target Company and the potential earning capacity of the Target Company resulting from elements such as the synergies that are expected to arise between the Target Company and Volvo by a series of transactions after the Tender Offer, conducted valuations by the average market price method, the discounted cash flow (DCF) method, and the comparable company method, and calculated the share value of the Target Company. The Company and Volvo commenced negotiations with the Target Company from around January 18, 2007, and had subsequent discussions with respect to the purchase price of the Tender Offer.

As a result, from around January 18, 2007, the Target Company had discussed the pros and cons of the Tender Offer and the adequacy of its terms. The Target Company then appointed Mizuho Securities Co., Ltd., which is a third-party financial institution independent from Volvo, as its financial advisor, and in light of its valuation of share value, and with the advice of Mizuho Securities Co., Ltd. and an independent law firm, it conducted discussions and negotiations with Volvo and the Company and both parties finally agreed on the purchase price for the Tender Offer as 540 yen.

Following this agreement, Volvo determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 19, 2007. Following such determination, the Company determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 20, 2007.

Also, in light of the results of the calculation of share value by the financial advisor and the results of the discussions and negotiations with Volvo and the Company stated above, the Board of Directors of the Target Company determined that the purchase price in the Tender Offer was fair and reasonable, and resolved to approve the Tender Offer at the meeting of the Board of Directors held on February 20, 2007 with the approval of all directors present (but excluding a person with a conflict of interest). Each of the statutory auditors of the Target Company, including outside statutory auditors, expressed their support for the approval of the Tender Offer by the Board of Directors of the Target Company. However, Mr. Jorma Halonen, who is a director of the Target Company and executive of Volvo Group, did not participate in the deliberation and resolution at the meeting of the Board of Directors of the Target

Company stated above because of a conflict of interest.

The purchase price for shares of common stock is equal to the average of the closing sale prices for shares of the Target Company quoted on the Tokyo Stock Exchange for the past three month period ending on February 19, 2007 (410 yen, rounded to the nearest whole yen) plus a premium of approximately 32%. Also, the purchase price for shares of common stock under the Tender Offer is within the range of the share value of the Target Company calculated by Mitsubishi UFJ Securities.

(b) Stock acquisition rights

In determining the purchase prices of the first series stock acquisition rights, second series stock acquisition rights and third series stock acquisition rights under the Tender Offer, the Company used the Black-Scholes option-pricing formula as its valuation technique pursuant to the Accounting Standard for Stock Options (ASBJ Statement No.8) and Guidance on Accounting Standards for Stock Options (ASBJ Guidance No.11) and determined the purchase price of the stock acquisition rights, taking into consideration various factors such as the exercise price, exercise period, exercise conditions and other particulars for each of the stock acquisition rights, stock price volatility, the purchase price for shares of common stock in the Tender Offer stated above, and that the potential dilution of share holding of the Company to the Target Company would be prevented by the Company acquiring the stock acquisition rights, as well as taking into account the results of discussions and negotiations with the Target Company. Determination of the purchase price of stock acquisition rights has also been preceded by the discussions and negotiations between the Company and the Target Company, and is supported by the resolution of the board of directors of the Target Company.

(Note 1) With respect to each Preferred Stock issued by the Target Company, the Company has received from Volvo, the sole owner of each class of such Preferred Stock, a notice to give consent that no offer to buy or solicitation of an offer to sell be made.

(Note 2) The prices determined by dividing the purchase price of first through third stock acquisition rights by the number of shares of common stock delivered upon exercise of one stock acquisition right as of today (1,000 shares) are 224 yen for the first series stock acquisition rights, 184 yen for the second series stock acquisition rights and 127 yen for the third series stock acquisition rights.

(iii) Relationship with the calculation agent

N/A

(5) Number of Share Certificates, etc. to be Purchased

Type of Share certificates, etc.	(i) Number scheduled to be purchased converted into shares	(ii) Number scheduled to be over purchased converted into shares
Share certificate	- shares	- shares

Certificate of stock acquisition rights	- shares	- shares
Certificate of bond with stock acquisition rights	- shares	- shares
Deposit receipt for share certificates, etc. ()	- shares	- shares
Total	- shares	- shares

(Note 1) The number (converted into common stock) of share certificates, etc. to be purchased through the Tender Offer is 314,976,949 shares which is 306,634,106 (the number of issued common stock as of September 30, 2006 described in the semi annual report in the 82nd Term submitted by the Target Company on December 26, 2006), plus 8,422,000 (the maximum number of common stock of the Target Company which may be issued or transferred upon the exercise of the first through third series stock acquisition rights (including the common stock of the Target Company already issued or transferred by the exercise of the first series stock acquisition rights since October 1, 2006 through the date hereof)), minus 79,157 (the amount of treasury stock beneficially held by the Target Company as of September 30, 2006).

(Note 2) In the Tender Offer, there is no upper limit or lower limit of the number of share certificates, etc. to be purchased. Thus, the Offeror will purchase all the Tendered Share Certificates, etc. (including the certificates of stock acquisition rights tendered, hereinafter the same).

(Note 3) The Offeror does not intend to acquire the treasury stock held by the Target Company through the Tender Offer.

(Note 4) Shares less than one unit are also subject to the Tender Offer. The share certificates representing the shares to be tendered will be required to be submitted (shares less than one unit kept in custody by Japan Securities Depository Center ("JASDEC")) do not have to be submitted because they may be tendered in the Tender Offer by transferring them to the Mitsubishi UFJ Securities through the transfer system of JASDEC). The Target Company may purchase its own shares during the period for the tender offer from any shareholder who exercises the right under the Corporation Law to require the Target Company to purchase shares constituting less than a whole unit pursuant to applicable law. The Target Company intends to make such purchase at the market price.

(Note 5) It is possible that the first series stock acquisition rights may be exercised during the period for the tender offer, and the shares of common stock of the Target Company to be issued or transferred as a result of such exercise is also subject to the Tender Offer.

(6) Changes to Ownership Percentage of Share Certificates, etc. as a Result of Tender Offer, etc.

Number of voting rights represented by the share certificates, etc. held by the Offeror before the Tender Offer, etc.	0	(Ownership percentage of share certificates, etc. before the Tender Offer, etc. 0.00%)
Number of voting rights represented by	223,269	(Ownership percentage of

the share certificates, etc. held by special related persons before the Tender Offer, etc.		share certificates, etc. before the Tender Offer, etc. 47.38%)
Number of voting rights represented by the share certificates, etc. to be purchased	314,976	(Ownership percentage of share certificates, etc. after the Tender Offer, etc. 100.00%
Total number of voting rights of all shareholders of the Target Company	306,151	

(Note 1) “Number of voting rights represented by the share certificates, etc. to be purchased” is the number of voting rights represented by share certificates, etc. to be purchased (314,976,949) described in Note 1 of “(5) Number of share certificates, etc. to be purchased” above.

(Note 2) “Total number of voting rights of all shareholders of the Target Company” is the total number of voting rights of all shareholders of the Target Company as of September 30, 2006 set out in the Semiannual Report for the 82nd Term filed by the Target Company on December 26, 2006.

(Note 3) “Ownership percentage of share certificates, etc. before the Tender Offer, etc.” is calculated by using 471,209 voting rights as denominator which is 306,151 voting rights (the total number of voting rights of all shareholders of the Target Company) plus 165,058 voting rights (the number of voting rights represented by the Preferred Stock within the number of voting rights represented by the share certificates, etc. held by special related persons before the Tender Offer, etc.). The number of voting rights represented by shares of Preferred Stock is calculated without aggregating the number of shares less than one unit arising upon exercise of the right to request acquisition of shares of each class of Preferred Stock.

(Note 4) “Ownership percentage of share certificates, etc. after the Tender Offer, etc.” is calculated by using as denominator the number of voting rights (480,034 voting rights), which is the sum of total number of voting rights of all shareholders of the Target Company (306,151 voting rights) set out in above stated Semiannual Report, plus the number of voting rights represented by the shares less than one unit (403 voting rights represented by 403,949 shares; which is calculated by the number of shares less than one unit as of September 30, 2006 (404,106 shares) less the number of shares less than one unit of treasury stock held by the Target Company (157 shares)), plus the number of voting rights (8,422 voting rights) represented by the number of stock acquisition rights of the Target Company scheduled to be purchased converted into shares of common stock (8,422,000 shares), plus the number of voting rights represented by the number of shares of Preferred Stock held by special related persons converted into shares of common stock (which is not subject to the Tender Offer) (165,058 voting rights represented by 165,060,286 shares), and using as numerator the number of voting rights (480,034 voting rights), the sum of the number of voting rights represented by the share certificates, etc. to be purchased (314,976 voting rights) and the number of voting rights represented by the number of shares of Preferred Stock held by special related persons converted into shares of common stock (which is not subject to the Tender Offer) (165,058 voting rights represented by 165,060,286 shares). The number of voting rights represented by shares of Preferred Stock converted into common stock is calculated without aggregating the number of shares less than one unit arising upon exercise of the right to request acquisition of shares of each class of Preferred Stock.

(Note 5) “Ownership percentage of share certificates, etc. before the Tender Offer, etc.” and “Ownership percentage of share certificates, etc. after the Tender Offer, etc.” shall be rounded to two decimal places.

(7) Purchase Price

168,340 million yen (scheduled)

(Note) Purchase price is the total amount (maximum value) of (i) all 306,634,106 issued common shares of the Target Company as of September 30, 2006 less the 79,157 shares of treasury stock held beneficially by the Target Company as of September 30, 2006 plus the maximum 2,451,000 shares that may be issued or delivered upon the exercise of the first series stock acquisition rights by the end of the Tender Offer Period, multiplied by the purchase price per share, and (ii) the sum of the 2,451 stock acquisition rights of the first series stock acquisition rights, the 2,970 stock acquisition rights of the second series stock acquisition rights and the 3,001 stock acquisition rights of the third series stock acquisition rights, multiplied by their respective purchase prices.

(8) Method of Settlement

(i) Name and address of head office of securities company/bank etc. in charge of settlement of purchase, etc.

Mitsubishi UFJ Securities Co., Ltd. 2-4-1, Marunouchi, Chiyoda-ku, Tokyo

(ii) Commencement date of settlement

March 29, 2007 (Thursday)

(Note) If the Tender Offer Period is extended pursuant to Article 27-10, Paragraph 3 of the Law, the commencement date of settlement will be April 12, 2007 (Thursday).

(iii) Method of settlement

A notice of purchase, etc. under the tender offer will be mailed to the address of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, to the address of their standing agents) without delay after the expiration of the Tender Offer Period.

The purchase will be conducted in cash. The Tender Offer Agent shall remit the sale price for the purchased share certificates, etc. to the location designated by the Tendering Shareholders, etc. (in the case of Foreign Shareholders, to the location designated by their standing agents) without delay from the commencement date of settlement, in accordance with the direction of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, the direction of their standing agents).

(iv) Method of return of share certificates, etc.

In the event that the Tendered Share Certificates, etc. will not be purchased under the terms as specified in “(ii) Conditions of withdrawal, etc., of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.” in the section entitled “(9) Other Conditions and Methods of Purchase, etc.”, the Tender Offer Agent will, in accordance with the direction of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, their standing agents)

and without delay from the date of withdrawal, etc. of Tender Offer, return the share certificates, etc. that must be returned by delivering them to the Tendering Shareholders, etc. or sending them by mail to the address of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, to the addresses of their standing agents), or, with respect to the share certificates, etc. kept in custody by the Tender Offer Agent (or by JASDEC through the Tender Offer Agent) at the time of tender, return such share certificates, etc. to the same condition of custody as at the time of tender.

(9) Other Conditions and Methods of Purchase, etc.

(i) Conditions set forth in each item of Article 27-13, Paragraph 4 of the Law and the details thereof

N/A. The Company will purchase all of the Tendered Share Certificates, etc.

(ii) Conditions of withdrawal, etc., of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and Item 1.12 through 1.18, Item 2, Item 3.1 through 3.8, Item 4, Item 5 as well as Article 14, Paragraph 2, Items 3 through 6 of the Securities and Exchange Law Enforcement Order (“Enforcement Order”), the Company may withdraw the Tender Offer.

Should the Company intend to withdraw the Tender Offer, it will give electronic public notice and publish notice thereof in The Nihon Keizai Shimbun; provided, however, if it is difficult to give such notice by the last day of the Tender Offer Period, the Company will make a public announcement pursuant to Article 20 of the Cabinet Ordinance with respect to Disclosure of a Tender Offer for Share Certificates, etc. by an Offeror other than the Issuing Company (“Cabinet Ordinance”), and forthwith give public notice.

(iii) Conditions of reduction of purchase price, details thereof and method of disclosure of reduction

The Company may reduce purchase price in accordance with the standards prescribed by the Cabinet Ordinance if the Target Company splits its shares or conducts some other action prescribed by government ordinances. Should the Company intend to reduce the purchase price, the Company will give an electronic public notice and publish notice thereof in The Nihon Keizai Shimbun. However, if it is deemed difficult to make such notice by the last day of the Tender Offer Period, the Company will make a public announcement in accordance with Article 20 of the Cabinet Ordinance, and forthwith give public notice. If a purchase price is reduced, the Company will purchase the Tendered Share Certificates, etc. tendered prior to such public notice in accordance with the conditions of the purchase, etc. so changed.

(iv) Matters concerning tendering shareholders’ right to cancel tender

Tendering Shareholders, etc. may cancel their tender under the Tender Offer at any time during the Tender Offer Period. Tendering Shareholders etc, who wish to cancel their tender must deliver, or send by mail, a cancellation notice stating that such Tendering Shareholder, etc. cancels his/her tender under the Tender Offer (the “Cancellation Notice”) together with a receipt of tender under the Tender Offer to the head office or any Japanese branch of the

Tender Offer Agent by no later than 4 p.m. on the last day of the Tender Offer Period. The cancellation of tender will take effect at the time when the Cancellation Notice is delivered to, or reaches, the Tender Offer Agent. However, if the Cancellation Notice is sent by mail, it must reach the Tender Offer Agent by no later than 4 p.m. on the last day of the Tender Offer Period. No claim for indemnification or penalty payment will be made by the Company against Tendering Shareholders, etc. should they cancel their tenders. Further, the cost of returning Tendered Share Certificates, etc. to the Tendering Shareholders, etc. will be borne by the Company.

(v) Method of disclosure if the conditions, etc. of the purchase, etc. are changed

The Company may change any conditions of the purchase, etc. during the Tender Offer Period except as set forth in Article 27-6, Paragraph 1 of the Law. Should such changes be made, the Company will give an electronic public notice and publish notice thereof in The Nihon Keizai Shimbun. However, if it is deemed difficult to make such notice by the last day of the Tender Offer Period, the Company will make a public announcement in accordance with Article 20 of the Cabinet Ordinance, and forthwith give public notice. If the conditions of the purchase, etc. are changed, the Company will purchase the Tendered Share Certificates, etc. tendered prior to such public notice in accordance with the conditions of the purchase, etc. so changed.

(vi) Method of disclosure if an amendment statement is filed

If the Company files an amendment statement with the Director of the Kanto Local Finance Bureau, it will forthwith make a public announcement of the contents thereof which are relevant to the contents of the public notice of the Tender Offer, in accordance with the manner set forth in Article 20 of the Cabinet Ordinance. The Company will also amend the explanatory statement of the Tender Offer forthwith and provide the amended explanatory statement to the tendering shareholders who have received the former explanatory statement. If the amendments are made limited in extent, the Company may, instead of providing an amended explanatory statement, prepare and deliver to tendering shareholders a document stating the reason for the amendments, the matters having been amended and the details thereof.

(vii) Method of disclosure of results of the tender offer

The results of the Tender Offer will be made public in accordance with Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Ordinance on the day following the last day of the Tender Offer Period.

(10) Date of Public Notice for the Commencement of the Tender Offer

February 21, 2007 (Wednesday)

(11) Tender Offer Agent

Mitsubishi UFJ Securities Co., Ltd.

3. Others

(1) Agreements between the Offeror and the Target Company or Officers, and the Contents thereof

In determining the purchase price of shares of common stock in the Tender Offer, the Company requested Mitsubishi UFJ Securities, the financial advisor to the Company, to calculate the share value of the Target Company in order to use it as reference data for determining the purchase price. Upon receiving this request, Mitsubishi UFJ Securities conducted a review of which valuation method should be adopted, and, in light of the various factors including the financial and operating conditions of the Target Company and the potential earning capacity of the Target Company resulting from elements such as the synergies that are expected to arise between the Target Company and Volvo by a series of transactions after the Tender Offer, conducted valuations by the average market price method, the discounted cash flow (DCF) method, and the comparable company method, and calculated the share value of the Target Company. The Company and Volvo commenced negotiations with the Target Company from around January 18, 2007, and had ongoing discussions with respect to the purchase price of the Tender Offer.

In response, from around January 18, 2007, the Target Company had discussed the pros and cons of the Tender Offer and the adequacy of its terms. At this time, the Target Company appointed Mizuho Securities Co., Ltd., which is a third-party financial institution independent from Volvo, as financial advisor, and in light of its valuation of share value, and with the advice of Mizuho Securities Co., Ltd. and an independent law firm, it conducted discussions and negotiations with Volvo and the Company and both parties finally agreed on the purchase price for the Tender Offer as 540 yen.

Following this agreement, Volvo determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 19, 2007. Following such determination, the Company determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 20, 2007.

Also, in the light of the results of the calculation of share value by the financial advisor and the results of the discussions and negotiations with Volvo and the Company stated above, the Board of Directors of the Target Company determined that the purchase price in the Tender Offer was fair and reasonable, and resolved to approve the Tender Offer at the meeting of the Board of Directors held on February 20, 2007 with the approval of all directors present (but excluding a person with a conflict of interest). Each of the statutory auditors of the Target Company, including outside statutory auditors, expressed their support for the approval of the Tender Offer by the Board of Directors of the Target Company. However, Mr. Jorma Halonen, who is a director of the Target Company and executive of Volvo Group, did not participate in the deliberation and resolution at the meeting of the Board of Directors of the Target Company stated above because of a conflict of interest.

The purchase price for shares of common stock is equal to the average of closing sale prices for shares of the Target Company quoted on the Tokyo Stock Exchange for the past three month period ending on February 19, 2007 (410 yen, rounded to the nearest whole yen) plus a premium of approximately 32%. Also, the purchase price for shares of common stock under the Tender Offer is within the range of the share value of the Target Company calculated by Mitsubishi UFJ Securities.

In determining the purchase prices of the first series stock acquisition rights, second series stock acquisition rights and third series stock acquisition rights under the Tender Offer, the Company used the Black-Scholes option-pricing formula as its valuation technique pursuant to the Accounting Standard for Stock Options (ASBJ Statement No.8) and Guidance on Accounting Standards for Stock Options (ASBJ Guidance No.11) and determined the purchase price of the stock acquisition rights, taking into consideration various factors such as the exercise price, exercise period, exercise conditions and other particulars for each of the stock acquisition rights, stock price volatility, the purchase price for shares of common stock in the Tender Offer stated above, and that the potential dilution of share holding of the Company to the Target Company will be prevented by the Company acquiring the stock acquisition rights, as well as taking into an account the results of discussions and negotiations with the Target Company. Determination of the purchase price of stock acquisition rights has also been preceded by the discussions and negotiations between the Company and the Target Company, and is supported by the resolution of the board of directors of the Target Company.

(2) Other Information Necessary for Investors to Determine the Pros and Cons of Tender under the Tender Offer

- (i) The Company intends to make the Target Company a wholly-owned subsidiary through the Tender Offer and a series of subsequent procedures. As there is no upper limit on the number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the shares of the Target Company may be delisted through prescribed procedures in accordance with the criteria for delisting stock from the Tokyo Stock Exchange. After delisting, it will not be possible to trade the shares of the Target Company on the Tokyo Stock Exchange.
- (ii) At the meeting of the Board of Directors of the Target Company held on February 20, 2007, the Target Company resolved to propose to the annual general meeting of shareholders scheduled to be held in the latter half of June 2007 that the Target Company shall not pay a year-end dividend as of March 31, 2007 on its common stock and the Preferred Stock.

End

This press release is a news statement to announce our Tender Offer to the public and is not prepared to solicit you to make a sale to us. If you intend to offer to sell, please thoroughly review the Tender Offer Statement prepared by us and decide at your own discretion. This press release is not, nor is it a part of, an offer or solicitation for sale of securities or a solicitation for an offer of purchase. This press release or any part thereof or the fact of distribution thereof does not constitute grounds for any agreement in connection with the Tender Offer and no party may rely thereon when executing the agreement.

In this press release, the outlook for future business development in case we acquire the shares of Nissan Diesel is described based on the belief of our management. The actual result may be significantly different from such outlook because of various factors.

There may be some countries or regions in which an announcement, publication or distribution of this press release is legally restricted. In that case, please respect and

comply with the restriction. If you reside in a country or region where this Tender Offer is considered illegal, this press release will be considered to be material distributed for information purpose only and will not be considered to be an offer to purchase or any similar action, or solicitation for an offer of sale or any similar action of share certificates in connection with this Tender Offer.

February 20, 2007

To all concerned:

Company name: NISSAN DIESEL MOTOR CO., LTD. (the “Company”)
Representative: Iwao Nakamura, Representative Director, President
Code: 7210 of the Tokyo Stock Exchange, 1st Section
Point of contact: Yutaka Hiroshige, General Manager of the Public Relations Department (IR)
Telephone: 048-726-7601

Announcement Concerning Expression of Opinion for Tender Offer for Shares of the Company

The Company hereby announces that the meeting of the Board of Directors held on February 20, 2007, resolved to express its support for the tender offer (the “Tender Offer”) for the common stock and the stock acquisition rights of the Company by NA Co., Ltd. (the “Offeror”).

The resolution is based on the premise that (i) based on the assumption that a considerable number of share certificates, etc. have been acquired by the Offeror through the Tender Offer, the Offeror currently intends to make the Company its wholly-owned subsidiary and (ii) the shares of the Company are planned to be delisted.

1. Profile of the Offeror

(1)	Corporate name	NA Co., Ltd.	
(2)	Business activities	The main business of the Offeror is to acquire and hold the shares of the Company, and to control and maintain the business of the Company after the completion of the Tender Offer.	
(3)	Date of establishment	January 30, 2007	
(4)	Address of head office	4-1-8, Toranomom, Minato-ku, Tokyo	
(5)	Title and name of representative	Jan Magnusson, Representative Director	
(6)	Amount of capital	JPY 25,000,000,000	
(7)	Composition of major shareholders and shareholding ratios	Aktiebolaget Volvo (“Volvo”), 100.0%	
(8)	Relationship between Offeror and the Company	Capital relationship	None Volvo, the largest stockholder of the Company (holding 19.0% of the common stock and all of the issued and outstanding preferred stock of the Company), holds all of the issued and outstanding shares of the Offeror.
		Personal relationship	None Mr. Jorma Halonen, the Executive Vice President of Volvo, has assumed the position of Director, Vice Chairman of the Company.
		Business relationship	None
		Applicability to a related party	None Volvo is the major stockholder of the Company.

2. Opinion concerning the tender offer and reason and grounds for the opinion

(1) Opinion concerning the tender offer

The meeting of the Board of Directors of the Company, held on February 20, 2007, resolved to express its support for the tender offer for the shares, etc. of the Company by the Offeror (the "Tender Offer"). Accordingly, the Company recommends tendering shares, etc. in the Tender Offer.

(2) Reason for the opinion concerning the tender offer

The Offeror, which is a wholly-owned subsidiary of Volvo as of the date hereof, is a special purpose company established for this acquisition. Volvo is the largest stockholder of the Company holding 19.0% of the common stock of the Company and Volvo also holds all of the issued and outstanding preferred stock (the first class preferred stock, second class preferred stock and fourth class preferred stock) ("Preferred Shares," collectively) of the Company.

The Offeror will conduct the Tender Offer for the purpose of acquiring all of the issued and outstanding shares of the Company (excluding the Preferred Stock held by Volvo and the shares owned by the Company) and all of the issued and outstanding stock acquisition rights of the Company.

Volvo is one of the world's leading manufacturers of trucks, buses, construction equipment, and drive systems for marine and industrial applications as well as components for aircraft engines. Volvo and its affiliates ("the Volvo Group") have approximately 83,000 employees, manufacturing facilities in 18 countries and sales in some 185 countries. In the FYE December 2006, the Volvo Group's sales were approximately SEK 248.1 billion (approximately JPY 4,295.2 billion) and its current income was approximately SEK 16.3 billion (approximately JPY 282.5 billion). Volvo is listed on the Stockholm Stock Exchange and on the NASDAQ in the United States. The Volvo Group is currently divided into eight business areas, i.e., Volvo Trucks, Renault Trucks, Mack Trucks, Volvo Buses, Volvo Construction Equipment, Volvo Penta, Volvo Aero, and Volvo Financial Services. The Volvo Group is Europe's largest and the world's second largest manufacturer of heavy trucks.

The NISSAN DIESEL Group (the "Company Group") was established in 1935. The principal business of the Company Group is the manufacture and sale of trucks, buses, engines and parts, and the Company Group conducts service activities relating to such principal business.

To consider the historical business of the Company, the total domestic demand of medium duty trucks and heavy duty trucks remained at a level under 80,000 units, its lowest historical level, from FY 1998 through FY 2002. Under such circumstances, the accumulated losses of distributors became a significant management issue due to the adoption of consolidated accounting rules, and therefore, the Company undertook the "98-'99 Structural Reform" with the support of its main bank, NISSAN MOTOR CO., LTD. and Renault SA. As a result of such efforts, including reducing the workforce of the Company Group, closing the Gunma plant, integrating 41 sales subsidiaries into 10 sales subsidiaries, integrating Nissan Diesel Motor and Nissan Diesel Sales, selling the Ageo plant and the land around the plant, and selling securities; the Company significantly improved its structure and established a lean structure which makes a profit meeting the total domestic demand of 75,000 units of medium duty trucks and heavy duty trucks. However, the Company's unstable financial structure with excessive interest-bearing debt and small equity capital was left unresolved.

New management installed in FY 2002 developed the "03-'05 New Medium-Term Business Plan" aimed at reducing the Company's interest-bearing debt and improving its operating income margin, centering on cash-flow management. As a result of efforts commenced in the latter half of FY 2002, the FY2005 goals of a reduction of the interest-bearing debt to JPY 250 billion and an operating income margin of 5.5% were accomplished in FY 2003, which was earlier than the plan. Although this led to a significant increase in profitability, the problems facing the Company Group, i.e., small equity capital and carried-forward losses, are expected to take a considerable amount of time to be resolved. Moreover, the Company Group must handle asset-impairment accounting, the treatment of retirement allowances and adjusting to international accounting standards as well as an increase in development costs due to tighter environmental regulations

and an increase in the competitiveness of its competitors due to their restructuring and reinforcement of the alliances.

In order to resolve the essential problems stated above, in September 2003 the Company developed the “‘04-'08 New Long-Term Business Plan” aimed at (a) establishing a solid financial structure through financial restructuring, (b) establishing a solid operating base and (c) increasing the Company’s corporate value by switching to proactive business practices with the support of NISSAN MOTOR CO., LTD., Renault SA and the Company’s main bank. The contents of the ‘04-'08 New Long-Term Business Plan are (i) the early adoption of asset-impairment accounting, the transfer of employees’ pension fund benefit obligations to the government (*daiko-henjo*) and the depreciation of unrecognized losses on retirement allowances, the increase of reserves according to tightening of the criteria for the classification of receivables and reserves for accrued warranty costs based on international accounting standards, etc. as protection against expected losses; (ii) the development and manufacture of new light duty trucks, the sale of test courses to NISSAN MOTOR CO., LTD., the sale of the Ace Sogo Lease to the GE Group and the promotion of the alliance with Dongfeng Motor, etc., in order to ensure the long-range stability of the business of the Company; and (iii) the subscription for preferred stocks through a debt-equity swap by NISSAN MOTOR CO., LTD. and the Company’s main bank, and the cancellation of a portion of the Company’s shares held by Renault SA with the support of NISSAN MOTOR CO., LTD., Renault SA and the Company’s main bank. The implementation of this plan greatly improved the financial structure of the Company Group and constitutes the foundation for actively conducting business in the long term.

From FY 2003 through FY 2005, the Company increased the growth in its earnings, marked a record high operating income and ordinary profit for three consecutive periods and maintained free cash flow at a high level. As a result of these outcomes, the Company cancelled 70% of its issued and outstanding preferred stock and has worked to prevent the dilution of its common stock and to reduce the burden of dividend distributions for its preferred stock. In addition, the Company received an investment grade rating from two grading organizations and the market assessment of the Company improved.

Under such circumstances, in order to realize “UD (Ultimate Dependability),” a long-term vision, in November 2005 the Company developed the ‘06-'08 New Medium-Term Business Plan, “PFV (Plan for Vision),” as a growth strategy. Pursuant to the PFV, the Company has reaped full advantage of the “Quon,” a heavy duty truck compliant with new Japanese long-term diesel emissions regulations which was released ahead of other companies’ trucks and a network of sales subsidiaries which does not miss any profit-earning opportunity in any stage of the life cycle of trucks in Japan. Regarding overseas markets, the Company has been struggling for the sales in China where it is the only Japanese company that has a manufacturing base of heavy duty trucks, in South Africa where the brand image of the Company has been built up, in North America where stable sales are expected and in Southeast Asia.

Volvo, the world’s second largest manufacturer of trucks, acquired 13% of the shares of the Company and became the Company’s largest shareholder in March 2006. Thereafter in September 2006, Volvo acquired additional common stock of the Company and increased its proportion of ownership of common stock of the Company to 19%, its current level. At the same time, Volvo acquired all of the preferred stock of the Company. Since April 2006, the Company and Volvo have been examining ways of improving the synergies of their alliance mainly in five business areas (products, research and development, manufacturing, distribution and purchasing) and in November 2006 released an outline thereof. The business area with the largest advantage of scale, and where an improvement of synergies can be achieved early on, is purchasing, and the cost reduction effect for the Company due to a quantitative expansion of purchasing is expected to be significant. Similar synergies are expected in such areas as products, research and development, manufacturing, distribution, etc.

However, under the severe future business environment, the Company will have to bear the financial burden of a huge amount of development investment, facilities investment and overseas investment, etc. in order to create the synergy effect as stated above more speedily and more surely and to survive and keep growing in the face of business competition addressing tighter global environmental regulations. We consider that a unified management scheme with the Volvo Group will be more efficient for those purposes, and consider that efforts to maximize the profit of the Group will actually result in the beneficial growth of the Company and will enable the Company to increase its corporate value. Also, from a financial

viewpoint, the Company will become part of a financially sound environment. We concluded that this will enable the Company to provide greater satisfaction and growth opportunity to the stakeholders of the Company such as its customers, employee and business partners, etc.

Moreover, the purchase price of the common stock in the Tender Offer is JPY 540 and such price is the average of closing sale price of shares of the Company quoted on the Tokyo Stock Exchange for the past 3 month period ending on February 19, 2007 plus a premium of approximately 32%. We consider that such price is a reasonable price after making examinations based on the relevant computation of a third party, etc.

As well as the purchase price of the common stock, we consider that the purchase price of the stock acquisition rights in the Tender Offer is a reasonable price after making examinations based on the relevant computation of a third party, etc. Accordingly, we express our support for the Tender Offer.

Additionally, we intend to approve the transfer of stock acquisition rights, transfer of which is restricted, aiming to tender such rights in the Tender Offer by the Board of Directors, to the extent that such rights have not been exercised and the exercise of such rights is permitted according to the allotment agreement of the stock acquisition rights (in particular, 1,478 units of the first series stock acquisition rights and 1,863 units of the second series stock acquisition rights will become the subject of such transfer approval in maximum. The Company will not approve the transfer of the third series stock acquisition rights, as none of such rights will be exercisable during the Tender Offer period). The Board of Directors' meeting of the Company resolved that the Company will not make a distribution of dividends for the business year ending March 2007 in order to avoid any possibility of the occurrence of a variance of the economic impact on shareholders tendering their shares in the Tender Offer and shareholders not tendering their shares in the Tender Offer, considering the fact that the Offeror plans to conduct the procedures set forth in (4) below so that it will be able to acquire all the common shares of the Company.

(3) Grounds for the opinion of the Company concerning the tender offer

In order to form an opinion concerning the tender offer for the Company, the Board of Directors of the Company has obtained a valuation report for the shares, etc. of the Company from Mizuho Securities Co., Ltd. acting as an independent third party valuation agency. Such report provides that Mizuho Securities Co., Ltd. conducted a valuation of the Company using the Market Price Analysis Method, Discounted Cash Flow (DCF) Method, and Comparable Companies Analysis Method, and concludes that based on the combination of all three methods mentioned above, the range of the value of the common stock of the Company is between JPY 505 to JPY 565 per share. The Board of Directors of the Company has also obtained advice from outside legal counsel, thereupon, based on that information, as a result of sufficient consultation and negotiation concerning the Tender Offer from the viewpoints of the corporate value of the Company and benefit of the shareholders, the Board of Directors of the Company determined that the purchase price for the Tender Offer is fair and reasonable and resolved to approve the Tender Offer at a meeting of the Board of Directors with the approval of all directors present. Also, each of the statutory auditors of the Company including the outside statutory auditors has expressed their opinion to support the expression of the opinion of the Board of Directors of the Company supporting the Tender Offer. However, Mr. Jorma Halonen, a director of the Company and the Executive Vice President of Volvo (the Deputy Chief Executive Officer of the Volvo Group), did not participate in the discussion and resolution at the meeting because Mr. Halonen may have a special interest in the resolution.

(4) Plan after the Tender Offer

The Offeror launches the Tender Offer for the purpose of acquiring all the shares, etc. of the Company (except for the Preferred Shares owned by Volvo and the shares owned by the Company). If, however, Offeror fails to acquire, through the Tender Offer, all the entire shares, etc. except for the Preferred Shares owned by Volvo and the shares owned by the Company, Offeror plans to acquire all the shares of common stock of the Company through the following procedures while it provides the shareholders of common stock of the Company with chances to convert such shares into cash.

More specifically, based on the assumption that a considerable number of share certificates, etc. have been acquired by the Offeror through the Tender Offer, the Offeror currently intends to request the Company to hold (a) a shareholders' meeting of which the proposed agenda includes the agenda (i) to amend a portion

of the Articles of Incorporation of the Company in order to convert all common stock issued by the Company into class shares with an option to call all shares and (ii) to deliver other common stock of the Company in exchange for acquiring all of the class shares with an option to call all shares; and (b) a shareholders' meeting of certain class shares held by the shareholders of the common stock of the Company of which the proposed agenda includes agenda (i) above. In such a case, the Offeror and the special related person intend to vote for the approval of each of the above proposals at the meetings.

If the foregoing procedures are conducted, all of the common stock issued by the Company will be converted into class shares with an option to call all shares and will be acquired by the Company. Although other common stock of the Company will be delivered to the shareholders of the Company's class shares with an option to call all shares upon the exercise of the call options, the Company does not intend to apply for the listing of such common stock. The shareholders who will not be able to receive shares other than fractions of a share of the common stock of the Company will be delivered cash obtained by selling the shares corresponding to such fractions in accordance with the procedures set forth in Japanese laws and regulations. The amount of cash to be delivered to the shareholders as a result of the sale of the total number of such fractions is expected to be calculated on the same basis as the purchase price for the Tender Offer. The number of shares of common stock of the Company to be delivered in consideration for the acquisition of class shares with an option to call all shares has not been determined as of today, but will be determined so that the common stock of the Company to be delivered to the shareholders of the Company who did not tender their shares in the Tender Offer other than the Offeror will be fractions of a share in order to make the Company a wholly-owned subsidiary of the Offeror.

For the purpose of protecting minority shareholders, Article 116 and Article 117 of the Corporate Law and other provisions of relevant laws and regulations provide that shareholders may request the purchase of their shares in the case amendments are made to the articles of incorporation to impose an option to call all shares of common stock. Also, for a similar purpose, Article 172 of the Corporate Law and other provisions of relevant laws and regulations provide that shareholders may file a petition to determine the acquisition price of their shares in the case a comprehensive acquisition of shares with an option to call all shares is resolved at a shareholders' meeting. The purchase price and acquisition price per share determined in the above methods, however, may be different from the purchase price for the Tender Offer.

For the request or petition in the above manner, each shareholder should confirm and determine the necessary procedures, etc. in its own discretion.

Also, in relation to the conversion of the Company into a wholly-owned subsidiary of the Offeror, the above method (i) to convert all common stock issued by the Company into class shares with an option to call all shares, and (ii) to deliver other common stock of the Company in exchange for acquiring all of such class shares with an option to call all shares may be replaced with another method with an almost similar effect depending on the circumstances, including the interpretation of the relevant laws and regulations by the relevant authorities and the proportion of ownership of shares, etc. by the Offeror and by the Company's shareholders other than the Offeror after the Tender Offer. Even if such other method is adopted, the Offeror intends to ultimately adopt a method which delivers cash to the Company's shareholders other than the Offeror.

In addition, after the successful completion of the Tender Offer, the Offeror currently intends to cause all of the remaining stock acquisition rights (if any) to disappear pursuant to applicable laws and regulations.

Please consult with a tax expert with respect to the specific tax treatment of each of the above procedures in your own discretion.

The Offeror intends to acquire all the share certificates, etc. of the Company (except for the shares owned by the Company and the Preferred Shares owned by Volvo). In the case that, as a result of the Tender Offer, the number of shareholders of the Company falls below a certain number or the proportion of ownership of the top ten (10) major shareholders exceeds 90% and so on, the shares of the Company will be delisted through prescribed procedures in accordance with the criteria for delisting stock of the Tokyo Stock Exchange. Also, the shares of the Company will be delisted if the Company acquires all of its listed shares. After such delisting, it will not be possible to trade the shares of the Target Company on the Tokyo

Stock Exchange, and it is expected to be difficult to sell the shares of the Target Company thereafter.

(Note) The conversion of Swedish Krona into Japanese yen is calculated by reference to the middle rate of telegraphic transfer selling and buying rates quoted by the Bank of Tokyo-Mitsubishi UFJ, Ltd. on December 29, 2006, which is SEK 1.00 = JPY 17.31. The amount in yen is rounded down to the nearest whole yen.

3. Benefits to be provided by the offeror or person having a special relationship therewith

N/A

4. Response policy to basic policy pertaining to the control of the Company

N/A

5. Question to the Offeror

N/A

6. Requirement for extension of the period for the tender offer

N/A

End of the Announcement

Please be advised that any person who accesses the information concerning the Tender Offer on this website may be restricted from purchasing the stock, etc. of NISSAN DIESEL MOTOR CO., LTD., as a first recipient of information under the regulations on insider trading, until 12 hours after (i.e. 7:45 p.m. on February 20, 2008) the press release by the Offeror (7:45 a.m. on February 20, 2008), pursuant to Article 167, Paragraph 3 of the Securities Exchange Law and Article 30 of the Enforcement Order thereof. Also, please note that the Company shall not be held responsible for any such actions, even if a person is held criminally, civilly or administratively responsible due to such purchase, etc.

Attached Documents : Notice of Commencement of Tender Offer for Shares of Nissan Diesel Motor Co.,Ltd

(Outline of the tender offer for the stock of the Company by NA Co., Ltd. (the Tender Offeror))