

FY2018 Consolidated Financial Results (Japanese Accounting Standards)



May 14, 2019

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Scheduled date of payment of cash dividends : To be determined

Scheduled date of filing Yukashoken-Houkokusho : To be determined

The additional materials of the Financial Results for FY2018 : Yes

The briefing session of the Financial Results for FY2018 : Yes

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for FY2018 (April 1, 2018 through March 31, 2019)

<1> Consolidated operating results

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2018	11,574,247	(3.2)	318,224	(44.6)	546,498	(27.2)	319,138	(57.3)
FY2017	11,951,169	2.0	574,760	(22.6)	750,302	(13.2)	746,892	12.6

Note: Comprehensive income : 195,999 million yen for FY2018, (73.5)% : 740,338 million yen for FY2017, 20.2%

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income as a percentage of total assets	Operating income as a percentage of net sales
	yen	yen	%	%	%
FY2018	81.59	81.59	6.0	2.9	2.7
FY2017	190.96	190.96	14.6	4.0	4.8

Reference: Equity in earnings (losses) of affiliates : 218,565 million yen for FY2018, 205,645 million yen for FY2017

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2018	18,952,345	5,623,510	28.0	1,355.18
FY2017	18,739,935	5,701,710	28.8	1,380.36

Reference: Net assets excluding share subscription rights and non-controlling interests: 5,302,675 million yen as of March 31, 2019,

5,397,712 million yen as of March 31, 2018

Note : FY2017 consolidated financial position are adjusted by changes in accounting policies due to the revision of the accounting standards.

<3> Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2018	1,450,888	(1,133,547)	(127,140)	1,359,058
FY2017	1,071,250	(1,147,719)	36,810	1,206,000

2. Dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Cash dividends as a percentage of net assets (Consolidated)
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2017	—	26.50	—	26.50	53.00	207,285	27.8	4.0
FY2018	—	28.50	—	28.50	57.00	222,994	69.9	4.2
FY2019 forecast	—	—	—	—	40.00		92.1	

Note: For FY2019 forecast, allocation of cash dividends per share between 2nd quarter end and fiscal year end has not yet been determined.

3. Forecast of consolidated operating results for FY2019 (April 1, 2019 through March 31, 2020)

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2019	11,300,000	(2.4)	230,000	(27.7)	170,000	(46.7)	43.45

Note: Forecast of consolidated operating results for FY2019 1st half is not prepared.

※ Notes

<1> Significant changes in scope of consolidated subsidiaries: None

In : - (Company Name :) Out : - (Company Name :)

<2> Changes in accounting policies, accounting estimation change and restatement

<2>-1 Changes in accounting policies due to the revision of the accounting standards: Applicable

<2>-2 Changes in accounting policies except for those in <2>-1: None

<2>-3 Changes due to accounting estimation change: None

<2>-4 Restatement: None

Note: See attached page14 "3. CONSOLIDATED FINANCIAL STATEMENTS (5) Notes to Consolidated Financial Statements - Changes in accounting policies".

<3> Number of shares issued (common stock)

<3>-1 Number of shares issued at the fiscal year end (including treasury stocks)

<3>-2 Number of treasury stocks at the fiscal year end

<3>-3 The average number of shares issued during the fiscal year

FY2018	4,220,715,112 shares	FY2017	4,220,715,112 shares
FY2018	307,810,623 shares	FY2017	310,358,894 shares
FY2018	3,911,715,666 shares	FY2017	3,911,158,238 shares

(Reference) Non-Consolidated Financial Results

Results of FY2018 (April 1, 2018 through March 31, 2019)

1. Results of non-consolidated operations for the year ended March 31, 2019

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2018	3,644,483	(2.8)	47,405	(70.3)	271,869	37.3	168,552	30.6
FY2017	3,750,617	0.6	159,648	(44.0)	197,958	(64.1)	129,044	(78.0)

	Net income per share - basic
	yen
FY2018	40.21
FY2017	30.79

※ This Financial Results report is out of scope of Financial Audit by certified public accountants or an audit firm

※ Explanation regarding the appropriate use of forecasts of business results

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

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

Based on the results of our investigation and the indictments by the Tokyo District Public Prosecutors Office related to misstatements in the Company's annual securities reports regarding director compensation of the Company's former director Carlos Ghosn, and other matters, the Company has recognized ¥4,411 million of expense in the fiscal year ended March 31, 2019: This includes (a) expenses for Mr. Ghosn's postponed compensation not booked in the prior years, (b) reversal of expenses for Mr. Ghosn's invalid retirement allowance incorrectly booked and (c) reversal of expenses for invalid stock-price-linked incentive compensation incorrectly booked. The amount is the best estimate using the information available and recorded as an accumulated amount which were not booked in the prior years.

The investigation is still on-going, and the final amount might differ from the estimate booked. The amount has not been paid by the Company.

The actual cash payment amount will be finalized at a later date.

Amount by fiscal year

	(Millions of yen)
FY 2005	59
FY 2006	134
FY 2007	397
FY 2008	—
FY 2009	228
FY 2010	795
FY 2011	907
FY 2012	1,038
FY 2013	-1,660
FY 2014	-106
FY 2015	1,127
FY 2016	498
FY 2017	994
Total	4,411

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1. BUSINESS PERFORMANCE AND FINANCIAL POSITION

(1) Fiscal Year 2018 Business Performance

In fiscal year 2018, the global industry volume decreased by 1.5% to 92.09 million units. The Nissan Group (the “Group”)’s global sales amounted to 5,516,000 units, a 4.4% decrease from the prior fiscal year. As a result, the Group’s market share decreased by 0.2 points to 6.0% from the prior fiscal year.

In Japan, the total industry volume (“TIV”) increased by 1.2% to 5.26 million units. The Group’s sales volume increased by 2.1% to 596,000 units, by the contribution of NOTE and SERENA which is highly regarded for the e-POWER, the Group’s market share increased by 0.1 point to 11.3% from the prior fiscal year.

In China, TIV decreased by 2.7% to 26.60 million units. Despite the difficult situation with a reducing TIV, the Group’s sales volume resulted in 1,564,000 units by the contribution of X-Trail and Sylphy Zero Emission, and the Group’s market share increased by 0.3 points to 5.9% from the prior fiscal year.

In North America, including Mexico and Canada, TIV decreased by 1.4% to 20.56 million units. The Group’s sales volume in North America decreased by 9.3% to 1,897,000 units from the prior fiscal year.

In the United States of America, TIV decreased by 0.8% to 17.17 million units. The Group’s sales volume decreased by 9.3% to 1,444,000 units, due to efforts in normalizing sales, the Group’s market share decreased by 0.8 points to 8.4% from the prior fiscal year.

In Europe, TIV increased by 0.3% to 20.03 million units. The Group’s sales volume in the Europe, excluding Russia, decreased by 17.8% to 536,000 units due to the impact from meeting environmental regulations. Meanwhile, sales volume in Russia increased by 2.6% to 107,000 units from the prior fiscal year.

In other markets, The Group’s sales volume decreased by 0.4% to 815,000 units. Sales volume in Latin America and Africa increased by 8.1% to 225,000 units and 6.1% to 101,000 units, respectively. Meanwhile, sales volume in Asia and Oceania and Middle East decreased by 2.3% to 324,000 units, 10.1% to 165,000 units, respectively from the prior fiscal year.

Net sales in fiscal year 2018 decreased by ¥377.0 billion (3.2%) to ¥11,574.2 billion from the prior fiscal year. Operating income totaled ¥318.2 billion, yielding a 2.7% operating margin, which decreased by ¥256.6 billion (44.6%) from the prior fiscal year. Major profit-decreasing factors were the unfavorable foreign exchange rate, the cost for tighter environmental regulations mainly in Europe, as well as the increase of raw materials cost. In addition, the cost for warranty extension program for CVTs in North America also had a negative impact which resulted in profit deterioration. Net non-operating income of ¥228.3 billion was recorded, increased by ¥52.8 billion from the prior fiscal year. This result was primarily attributable to the increase in equity in earnings of affiliates. Ordinary income of ¥546.5 billion was recorded, decreased by ¥203.8 billion (27.2%) from the prior fiscal year. Net special losses of ¥68.8 billion were recorded, deteriorating by ¥29.2 billion from the prior fiscal year. Income before income taxes of ¥477.7 billion was recorded, a profit decrease of ¥233.0 billion (32.8%) from the prior fiscal year. Net income attributable to owners of parent of ¥319.1 billion was recorded, a profit decrease of ¥427.8 billion (57.3%) from the prior fiscal year.

For fiscal year 2018, automotive free cash flow reached ¥191.1 billion positive. As a result, the Group’s net automotive debt continued to be in a net cash position, ending the year with ¥1,598.2 billion.

(2) Fiscal Year 2018 Financial Position

■ Assets

Current assets have increased by 0.7% to ¥11,613.1 billion compared to March 31, 2018. This was mainly attributable to increases in cash on hand and in banks by ¥84.8 billion, securities by ¥68.3 billion, and restricted cash included in other by ¥142.7 billion despite of a decrease in trade notes and accounts receivable by ¥227.7 billion.

Fixed assets have increased by 1.8% to ¥7,339.2 billion compared to March 31, 2018. This was mainly attributable to an increase in investment securities by ¥74.3 billion.

As a result, total assets have increased by 1.1% to ¥18,952.3 billion compared to March 31, 2018.

■ Liabilities

Current liabilities have increased by 14.6% to ¥7,730.5 billion compared to March 31, 2018. This was mainly due to increases in current portion of long-term borrowings by ¥478.1 billion, commercial papers by ¥294.6 billion, and current portion of bonds by ¥186.8 billion.

Long-term liabilities have decreased by 11.1% to ¥5,598.3 billion compared to March 31, 2018. This was mainly attributable to decreases in long-term borrowings by ¥514.5 billion and bonds by ¥195.6 billion.

As a result, total liabilities have increased by 2.2% to ¥13,328.8 billion compared to March 31, 2018.

■ Net Assets

Net assets have decreased by 1.4% to ¥5,623.5 billion compared to ¥5,701.7 billion as of March 31, 2018. This was mainly due to a decrease in accumulated other comprehensive income by ¥134.6 billion despite an increase in retained earnings by ¥40.3 billion.

(3) Fiscal Year 2018 Cash Flows

Cash and cash equivalents at the end of fiscal year 2018 increased by ¥153.1 billion or 12.7% to ¥1,359.1 billion, due to increase in inflows from operating activities and decrease in outflows from investing activities despite of an increase of cash outflows from financing activities.

■ Operating Activities

Cash and cash equivalents provided by operating activities amounted to ¥1,450.9 billion in fiscal year 2018, an increase of ¥379.6 billion from ¥1,071.3 billion provided in the prior fiscal year. This was mainly attributable to a shift from an increase to decrease in sales finance receivables.

■ Investing Activities

Cash and cash equivalents used in investing activities amounted to ¥1,133.5 billion in fiscal year 2018, a decrease of ¥14.2 billion from ¥1,147.7 billion used in the prior fiscal year. This was mainly attributable to decrease in net payment (net difference between the payment for purchase and the proceeds from sales) of leased vehicles.

■ Financing Activities

Cash and cash equivalents used in financing activities amounted to ¥127.1 billion in fiscal year 2018, an increase of ¥163.9 billion from the inflows of ¥36.8 billion in the prior fiscal year. This was mainly due to a decrease in proceeds from issuance of bonds.

(4) Fiscal Year 2019 Financial Forecast

For fiscal year 2019, Nissan anticipates total industry volume will rise by 0.8% to 92.85 million units. In that period, we expect Nissan to improve with retail volume by 0.4% to 5.54 million units.

Under the foreign exchange rate assumption of ¥110 to the dollar and ¥129 to the euro, we anticipate net revenues decreasing by 2.4% to ¥11.3 trillion for the year ending March 31, 2020. Operating income is forecast to reach ¥230.0 billion – representing a margin of 2.0% and a decrease of 27.7% compared with fiscal year 2018. Net income attributable to owners of parent is expected to reach ¥170.0 billion, a decrease of 46.7% compared with fiscal year 2018.

Looking at the year-over-year change in consolidated operating income, we anticipate:

- A positive impact from revenue and costs performance of ¥112.0 billion;
- A negative foreign exchange movement of ¥40.0 billion;
- A decrease of ¥110.0 billion due to the increase in costs for environmental regulations and products enhancement;
- A decrease of ¥50.0 billion due to the increase in raw material cost and others;

Based on our outlook and considering for the investment to improve the Group's competitiveness, the situation of cash on hand for fiscal year 2019, we are forecasting the dividend to ¥40 per share.

2. BASIC RATIONALE ON SELECTION OF ACCOUNTING STANDARDS

We are currently in the process of studying the adoption of International Financial Reporting Standards (IFRS) for the purpose of disclosure of financial information.

3. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	(in millions of yen)	
	FY2017	FY2018
	(As of March 31, 2018)	(As of March 31, 2019)
Assets		
Current assets		
Cash on hand and in banks	1,134,838	1,219,588
Trade notes and accounts receivable	739,851	512,164
Sales finance receivables	7,634,756	7,665,603
Securities	71,200	139,470
Merchandise and finished goods	880,518	827,289
Work in process	91,813	64,386
Raw materials and supplies	318,218	366,248
Other	775,771	945,449
Allowance for doubtful accounts	(116,572)	(127,092)
Total current assets	11,530,393	11,613,105
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	600,675	590,717
Machinery, equipment and vehicles, net	3,392,134	3,436,437
Land	598,780	595,776
Construction in progress	209,237	233,070
Other, net	464,808	449,698
Total property, plant and equipment	5,265,634	5,305,698
Intangible fixed assets	128,782	134,471
Investments and other assets		
Investment securities	1,264,532	1,338,875
Long-term loans receivable	12,654	13,983
Net defined benefit assets	10,552	8,499
Deferred tax assets	321,426	326,759
Other	207,764	213,313
Allowance for doubtful accounts	(1,802)	(2,358)
Total investments and other assets	1,815,126	1,899,071
Total fixed assets	7,209,542	7,339,240
Total assets	18,739,935	18,952,345

	(in millions of yen)	
	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,646,638	1,580,452
Short-term borrowings	802,952	850,995
Current portion of long-term borrowings	1,152,719	1,630,771
Commercial papers	402,918	697,549
Current portion of bonds	396,637	583,457
Lease obligations	25,766	19,846
Accrued expenses	1,114,053	1,183,888
Accrued warranty costs	115,568	116,492
Other	1,087,133	1,067,081
Total current liabilities	6,744,384	7,730,531
Long-term liabilities		
Bonds	1,887,404	1,691,844
Long-term borrowings	3,053,712	2,539,186
Lease obligations	16,248	16,038
Deferred tax liabilities	375,087	339,991
Accrued warranty costs	120,210	116,425
Net defined benefit liability	352,861	378,967
Other	488,319	515,853
Total long-term liabilities	6,293,841	5,598,304
Total liabilities	13,038,225	13,328,835
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	815,913	814,682
Retained earnings	4,921,722	4,961,980
Treasury stock	(139,970)	(139,457)
Total shareholders' equity	6,203,479	6,243,019
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	68,179	30,004
Unrealized gain and loss from hedging instruments	9,537	4,762
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(30,882)
Translation adjustments	(733,571)	(790,131)
Remeasurements of defined benefit plans	(135,967)	(154,097)
Total accumulated other comprehensive income	(805,767)	(940,344)
Share subscription rights	84	—
Non-controlling interests	303,914	320,835
Total net assets	5,701,710	5,623,510
Total liabilities and net assets	18,739,935	18,952,345

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated statements of income

	(in millions of yen)	
	FY2017	FY2018
	(From April 1, 2017 To March 31, 2018)	(From April 1, 2018 To March 31, 2019)
Net sales	11,951,169	11,574,247
Cost of sales	9,814,001	9,670,402
Gross profit	2,137,168	1,903,845
Selling, general and administrative expenses		
Advertising expenses	304,328	302,472
Service costs	74,569	146,851
Provision for warranty costs	122,135	122,818
Other selling expenses	251,593	221,536
Salaries and wages	410,156	409,222
Retirement benefit expenses	17,883	19,105
Supplies	4,413	2,780
Depreciation and amortization	53,928	55,685
Provision for doubtful accounts	90,461	82,356
Amortization of goodwill	1,057	1,118
Other	231,885	221,678
Total selling, general and administrative expenses	1,562,408	1,585,621
Operating income	574,760	318,224
Non-operating income		
Interest income	21,092	30,206
Dividends income	6,663	8,132
Equity in earnings of affiliates	205,645	218,565
Derivative gain	—	24,751
Miscellaneous income	15,938	29,532
Total non-operating income	249,338	311,186
Non-operating expenses		
Interest expense	12,670	13,478
Derivative loss	5,001	—
Exchange loss	26,772	38,293
Credit liquidation costs	13,854	12,888
Miscellaneous expenses	15,499	18,253
Total non-operating expenses	73,796	82,912
Ordinary income	750,302	546,498

	(in millions of yen)	
	FY2017	FY2018
	(From April 1, 2017 To March 31, 2018)	(From April 1, 2018 To March 31, 2019)
Special gains		
Gain on sales of fixed assets	10,408	17,712
Gain on sales of business	—	7,993
Other	2,184	2,611
Total special gains	12,592	28,316
Special losses		
Loss on sales of fixed assets	4,149	2,960
Loss on disposal of fixed assets	10,644	15,941
Impairment loss	16,166	13,339
Compensation for suppliers and others	13,612	16,998
Special addition to retirement benefits	3,445	39,832
Expense for reorganization of sales business	—	4,027
Other	4,135	4,009
Total special losses	52,151	97,106
Income before income taxes	710,743	477,708
Income taxes-current	140,571	156,115
Income taxes-deferred	(193,485)	(20,322)
Total income taxes	(52,914)	135,793
Net income	763,657	341,915
Net income attributable to non-controlling interests	16,765	22,777
Net income attributable to owners of parent	746,892	319,138

Consolidated statements of comprehensive income

	(in millions of yen)	
	FY2017	FY2018
	(From April 1, 2017 To March 31, 2018)	(From April 1, 2018 To March 31, 2019)
Net income	763,657	341,915
Other comprehensive income		
Unrealized holding gain and loss on securities	8,359	(28,964)
Unrealized gain and loss from hedging instruments	2,563	(4,648)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	—	(17,966)
Translation adjustments	(77,501)	(9,892)
Remeasurements of defined benefit plans	3,933	(19,676)
The amount for equity method company portion	39,327	(64,770)
Total other comprehensive income	(23,319)	(145,916)
Comprehensive income	740,338	195,999
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	721,255	177,385
Comprehensive income attributable to non-controlling interests	19,083	18,614

(3) Consolidated Statements of Changes in Net Assets

FY 2017 (From April 1, 2017 To March 31, 2018)

(in millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	817,464	4,349,136	(140,697)	5,631,717	57,778	7,154
Cumulative effects of changes in accounting policies			12,975		12,975		
Restated balance	605,814	817,464	4,362,111	(140,697)	5,644,692	57,778	7,154
Changes of items during the period							
Cash dividends paid			(197,541)		(197,541)		
Net income attributable to owners of parent			746,892		746,892		
Purchase of treasury stock				(730)	(730)		
Disposal of treasury stock		232		1,457	1,689		
Change in subsidiaries' interests by purchase of its treasury stock		1,040			1,040		
Change in an affiliated company's interests in its subsidiary		(2,823)			(2,823)		
Change in US GAAP (ASU2018-02) in relation to the Tax Cuts and Jobs Act			10,260		10,260		
Net changes of items other than those in shareholders' equity						10,401	2,383
Total changes of items during the period		(1,551)	559,611	727	558,787	10,401	2,383
Balance at the end of current period	605,814	815,913	4,921,722	(139,970)	6,203,479	68,179	9,537

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(13,945)	(687,841)	(133,016)	(769,870)	391	304,898	5,167,136
Cumulative effects of changes in accounting policies							12,975
Restated balance	(13,945)	(687,841)	(133,016)	(769,870)	391	304,898	5,180,111
Changes of items during the period							
Cash dividends paid							(197,541)
Net income attributable to owners of parent							746,892
Purchase of treasury stock							(730)
Disposal of treasury stock							1,689
Change in subsidiaries' interests by purchase of its treasury stock							1,040
Change in an affiliated company's interests in its subsidiary							(2,823)
Change in US GAAP (ASU2018-02) in relation to the Tax Cuts and Jobs Act			(10,260)	(10,260)			—
Net changes of items other than those in shareholders' equity		(45,730)	7,309	(25,637)	(307)	(984)	(26,928)
Total changes of items during the period		(45,730)	(2,951)	(35,897)	(307)	(984)	521,599
Balance at the end of current period	(13,945)	(733,571)	(135,967)	(805,767)	84	303,914	5,701,710

FY 2018 (From April 1, 2018 To March 31, 2019)

(in millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	815,913	4,921,722	(139,970)	6,203,479	68,179	9,537
Cumulative effects of changes in accounting policies			(63,628)		(63,628)	(449)	
Restated balance	605,814	815,913	4,858,094	(139,970)	6,139,851	67,730	9,537
Changes of items during the period							
Cash dividends paid			(215,101)		(215,101)		
Net income attributable to owners of parent			319,138		319,138		
Purchase of treasury stock				(392)	(392)		
Disposal of treasury stock				905	905		
Change in subsidiaries' interests by purchase of its treasury stock		(1)			(1)		
Changes in the scope of consolidation			(151)		(151)		
Change in an affiliated company's interests in its subsidiary		(1,230)			(1,230)		
Net changes of items other than those in shareholders' equity						(37,726)	(4,775)
Total changes of items during the period		(1,231)	103,886	513	103,168	(37,726)	(4,775)
Balance at the end of current period	605,814	814,682	4,961,980	(139,457)	6,243,019	30,004	4,762

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(13,945)	(733,571)	(135,967)	(805,767)	84	303,914	5,701,710
Cumulative effects of changes in accounting policies		7,625		7,176		(752)	(57,204)
Restated balance	(13,945)	(725,946)	(135,967)	(798,591)	84	303,162	5,644,506
Changes of items during the period							
Cash dividends paid							(215,101)
Net income attributable to owners of parent							319,138
Purchase of treasury stock							(392)
Disposal of treasury stock							905
Change in subsidiaries' interests by purchase of its treasury stock							(1)
Changes in the scope of consolidation							(151)
Change in an affiliated company's interests in its subsidiary							(1,230)
Net changes of items other than those in shareholders' equity	(16,937)	(64,185)	(18,130)	(141,753)	(84)	17,673	(124,164)
Total changes of items during the period	(16,937)	(64,185)	(18,130)	(141,753)	(84)	17,673	(20,996)
Balance at the end of current period	(30,882)	(790,131)	(154,097)	(940,344)	—	320,835	5,623,510

(4) Consolidated Statements of Cash Flows

	(in millions of yen)	
	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)
Cash flows from operating activities		
Income before income taxes	710,743	477,708
Depreciation and amortization (for fixed assets excluding leased vehicles)	388,427	385,737
Depreciation and amortization (for long term prepaid expenses)	31,264	33,954
Depreciation and amortization (for leased vehicles)	469,540	479,850
Impairment loss	16,166	13,339
Increase (decrease) in allowance for doubtful receivables	12,558	3,028
Provision for residual value risk of leased vehicles (net changes)	40,716	31,828
Interest and dividends income	(27,755)	(38,338)
Interest expense	168,206	208,074
Equity in losses (earnings) of affiliates	(205,645)	(218,565)
Loss (gain) on sales of fixed assets	(6,259)	(14,752)
Loss on disposal of fixed assets	10,644	15,941
Loss (gain) on sales of investment securities	(53)	(1,483)
Decrease (increase) in trade notes and accounts receivable	73,149	228,010
Decrease (increase) in sales finance receivables	(530,842)	87,606
Decrease (increase) in inventories	9,612	13,098
Increase (decrease) in trade notes and accounts payable	108,330	(43,721)
Other	63,237	(51,523)
Subtotal	1,332,038	1,609,791
Interest and dividends received	28,203	41,706
Proceeds from dividends income from affiliates accounted for by equity method	134,300	144,376
Interest paid	(159,578)	(202,757)
Income taxes paid	(263,713)	(142,228)
Net cash provided by operating activities	1,071,250	1,450,888
Cash flows from investing activities		
Net decrease (increase) in short-term investments	3,868	675
Purchase of fixed assets	(398,797)	(422,569)
Proceeds from sales of fixed assets	39,742	46,433
Purchase of leased vehicles	(1,430,561)	(1,298,702)
Proceeds from sales of leased vehicles	645,167	666,375
Payments of long-term loans receivable	(555)	(372)
Collection of long-term loans receivable	732	3,390
Purchase of investment securities	(26,207)	(31,328)
Proceeds from sales of investment securities	10,168	178
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	440
Net decrease (increase) in restricted cash	9,124	(134,474)
Proceeds from transfer of business	—	46,176
Other	(400)	(9,769)
Net cash used in investing activities	(1,147,719)	(1,133,547)

	(in millions of yen)	
	FY2017	FY2018
	(From April 1, 2017 To March 31, 2018)	(From April 1, 2018 To March 31, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(147,508)	213,577
Proceeds from long-term borrowings	1,413,908	1,313,294
Proceeds from issuance of bonds	858,002	363,868
Repayments of long-term borrowings	(1,463,828)	(1,344,303)
Redemption of bonds	(362,911)	(416,059)
Purchase of treasury stock	(6)	(5)
Proceeds from sales of treasury stock	1,357	—
Repayments of lease obligations	(34,633)	(27,044)
Cash dividends paid	(197,541)	(215,101)
Cash dividends paid to non-controlling interests	(15,757)	(15,354)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(13)
Purchase of treasury stock of subsidiaries	(14,273)	—
Net cash provided by financing activities	36,810	(127,140)
Effects of exchange rate changes on cash and cash equivalents	4,535	(38,258)
Increase (decrease) in cash and cash equivalents	(35,124)	151,943
Cash and cash equivalents at beginning of the period	1,241,124	1,206,000
Increase due to inclusion in consolidation	—	1,115
Cash and cash equivalents at end of the period	1,206,000	1,359,058

(5) Notes to Consolidated Financial Statements

(Notes to events and conditions which indicate there could be substantial doubt about going concern assumption)

None

(Basis of consolidated financial statements)

Number of Consolidated Subsidiaries and Companies Accounted for by the Equity Method

(1) Consolidated subsidiaries: 192 companies (Domestic 69, Overseas 123)

(2) Companies Accounted for by the Equity Method

Unconsolidated subsidiaries: 17 companies (Domestic 12, Overseas 5)

Affiliates: 32 companies (Domestic 20, Overseas 12)

(3) Change in the Scope of Consolidation and Equity Method

Number of companies newly included in the scope of consolidation; 3 companies

Number of companies excluded from the scope of consolidation; 4 companies

Number of companies newly accounted for by the equity method; 2 companies

Nissan (Shanghai) Automotive Design Ltd. and Alliance Ventures B.V. have been included in the scope of consolidation and equity method, respectively from this fiscal year, mainly due to new establishment. Automotive Energy Supply Corporation has been excluded from the scope of consolidation due to sales of their shares in the current fiscal year.

(Changes in accounting policies)

1) Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *“Revenue from Contracts with Customers”* and International Financial Reporting Standards (IFRS) 15, *“Revenue from Contracts with Customers”*

At foreign subsidiaries and affiliates that apply US GAAP, ASC 606, *“Revenue from Contracts with Customers”* has been adopted, while at other foreign subsidiaries and affiliates, IFRS 15, *“Revenue from Contracts with Customers”* (May 28, 2014) has been adopted from the fiscal year ended March 31, 2019.

In line with this adoption, revenue is recognized upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. In adopting the accounting standards, in accordance with the transitional treatment, the cumulative effect of adoption of the standards was recognized on the date of the start of adoption, and was added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2019.

As a result, the balance of retained earnings at the beginning of the fiscal year ended March 31, 2019 decreased by ¥58,566 million. In addition, net sales and income before income taxes for the fiscal year ended March 31, 2019 increased by ¥9,309 million and ¥64,225 million, respectively.

2) International Financial Reporting Standards (IFRS) 9, *“Financial Instruments”*

Some foreign subsidiaries and affiliates have adopted IFRS 9, *“Financial Instruments”* (July 24, 2014) from the fiscal year ended March 31, 2019.

In line with this adoption, the methods for classification and measurement of financial instruments were reviewed and impairment losses were recognized on financial assets using the expected credit loss model.

In adopting the accounting standard, in accordance with the transitional treatment, the cumulative effect of adoption of the standard was recognized on the date of the start of adoption, and was added to or subtracted from retained earnings, unrealized holding gain and loss on securities and non-controlling interests at the beginning of the fiscal year ended March 31, 2019.

As a result, the balances of retained earnings, unrealized holding gain and loss on securities and non-controlling interests at the beginning of the fiscal year ended March 31, 2019 decreased by ¥2,288 million, ¥449 million and ¥752 million, respectively. The effects of these revisions on the consolidated statements of income for the fiscal year ended March 31, 2019 are immaterial.

3) Accounting Standards Board of Japan (ASBJ) Guidance No. 28, *“Implementation Guidance on Tax Effect Accounting”*

“Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) has been adopted from the beginning of the fiscal year ended March 31, 2019.

In line with this adoption, treatment of taxable temporary differences relating to shares, etc., of subsidiaries in non-consolidated financial statements was changed to match the treatment of taxable temporary differences relating to shares of subsidiaries or investments in affiliates in consolidated financial statements, and a reversal of deferred tax liabilities was made.

The change in accounting policies in line with the adoption of these accounting standards has been retrospectively adopted and with respect to the prior fiscal year, retrospective adoption is reflected on the consolidated financial statements. As a result, compared with the accounting prior to retrospective adoption, on the consolidated balance sheets for the prior fiscal year, deferred tax liabilities decreased by ¥12,975 million, while retained earnings increased by ¥12,975 million.

(Changes in presentations)

(Application of the *“Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.”*)

“Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.” (ASBJ Statement No. 28, February 16, 2018) and other standards have been adopted from the beginning of the fiscal year ended March 31, 2019, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under long-term liabilities.

As a result, ¥152,452 million of “Deferred tax assets” under “Current assets” in the prior fiscal year has been reclassified into ¥321,426 million of “Deferred tax assets” under “Investments and other assets”, and ¥2 million of “Deferred tax liabilities” under “Current liabilities” in the prior fiscal year has been reclassified into ¥375,087 million of “Deferred tax liabilities” under “Long-term liabilities”.

(Additional information)

The company has consolidated adjusted financial statements of subsidiaries of the Company and Renault in Argentina applying IAS29, *“Financial Reporting in Hyperinflationary Economies”* from the fiscal year ended March 31, 2019.

In line with this retrospective restatement, retained earnings decreased by ¥2,774 million, translation adjustments increased by ¥7,625 million at the beginning of the fiscal year and those are included in “Cumulative effects of changes in accounting policies” of the Consolidated Statement of Changes in Net Assets.

(For consolidated statements of income)

Based on the results of our investigation and the indictments by the Tokyo District Public Prosecutors Office related to misstatements of “Compensation paid to Directors and Statutory Auditors” in the Company’s annual securities reports regarding the former Director, the Company has recognized ¥4,411 million of additional expenses in “Salaries and wages,” which were not booked in the prior years, as of the fiscal year ended March 31, 2019. The amount is the best estimate using the information available, and the final amount might differ from the estimate booked.

(Segments of an enterprise and related information)

【Segment information】

1. General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decision about resource allocation and to assess their performance.

Businesses of the Group are segmented into Automobile and Sales Financing based on feature of products and services. The Automobile business includes manufacturing and sales of vehicles and parts. The Sales Financing business provides sales finance service and leasing to support sales activities of the above business.

2. Calculation method of net sales and profits or losses by reportable segments

The accounting method for the reportable segments is the same as basis of preparation for the consolidated financial statements.

The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction.

3. Net sales and profits or losses by reportable segments

The Year Ended March 31, 2018 (From April 1, 2017 To March 31, 2018)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2018
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	10,851,955	1,099,214	11,951,169	—	11,951,169
Inter-segment sales or transfers	175,908	50,103	226,011	(226,011)	—
Total	11,027,863	1,149,317	12,177,180	(226,011)	11,951,169
Segment profits	335,574	215,338	550,912	23,848	574,760

The Year Ended March 31, 2019 (From April 1, 2018 To March 31, 2019)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2019
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	10,426,158	1,148,089	11,574,247	—	11,574,247
Inter-segment sales or transfers	157,922	49,540	207,462	(207,462)	—
Total	10,584,080	1,197,629	11,781,709	(207,462)	11,574,247
Segment profits	65,997	227,993	293,990	24,234	318,224

[Consolidated Financial Statements by Business Segments]

*Regarding summarized consolidated statements of income and summarized consolidated statements of cash flows for the prior fiscal year, the Sales Financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 10 companies and the sales finance operations of Nissan Canada Inc. (Canada).

*Regarding summarized consolidated statements of income and summarized consolidated statements of cash flows for the current fiscal year, the Sales Financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 10 companies and the sales finance operations of Nissan Canada Inc. (Canada).

*The financial data on the Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales Financing segment.

1) Summarized consolidated statements of income by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)
Net sales	10,801,852	10,376,618	1,149,317	1,197,629	11,951,169	11,574,247
Cost of sales	9,037,294	8,850,866	776,707	819,536	9,814,001	9,670,402
Gross profit	1,764,558	1,525,752	372,610	378,093	2,137,168	1,903,845
Operating income as a percentage of net sales	3.3%	0.9%	18.7%	19.0%	4.8%	2.7%
Operating income	359,422	90,231	215,338	227,993	574,760	318,224
Financial income / expenses, net	14,969	24,881	116	(21)	15,085	24,860
Other non-operating income and expenses, net	158,294	203,431	2,163	(17)	160,457	203,414
Ordinary income	532,685	318,543	217,617	227,955	750,302	546,498
Income before income taxes	483,900	252,855	226,843	224,853	710,743	477,708
Net income attributable to owners of parent	320,789	163,650	426,103	155,488	746,892	319,138

2) Summarized consolidated statements of cash flows by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)
Cash flows from operating activities	757,159	646,842	314,091	804,046	1,071,250	1,450,888
Cash flows from investing activities	(350,140)	(455,700)	(797,579)	(677,847)	(1,147,719)	(1,133,547)
(Free Cash flow)	407,019	191,142	(483,488)	126,199	(76,469)	317,341
Cash flows from financing activities	(461,039)	13,031	497,849	(140,171)	36,810	(127,140)
Effects of exchange rate changes on cash and cash equivalents	4,666	(36,329)	(131)	(1,929)	4,535	(38,258)
Increase (decrease) in cash and cash equivalents	(49,354)	167,844	14,230	(15,901)	(35,124)	151,943
Cash and cash equivalents at beginning of the period	1,189,975	1,140,621	51,149	65,379	1,241,124	1,206,000
Increase due to inclusion in consolidation	—	1,115	—	—	—	1,115
Cash and cash equivalents at end of the period	1,140,621	1,309,580	65,379	49,478	1,206,000	1,359,058

[Net sales and profits or losses by region]

The Year Ended March 31, 2018 (From April 1, 2017 To March 31, 2018)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,194,482	5,978,226	1,784,063	1,001,973	992,425	11,951,169	—	11,951,169
(2) Inter-segment sales	2,452,709	443,669	307,889	551,760	13,794	3,769,821	(3,769,821)	—
Total	4,647,191	6,421,895	2,091,952	1,553,733	1,006,219	15,720,990	(3,769,821)	11,951,169
Operating income (loss)	284,198	200,047	14,331	53,572	(13,980)	538,168	36,592	574,760

Notes: 1. Regions are representing the location of the Company and its group companies.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada, and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia, and other European countries
- (3) Asia : China, Thailand, India, and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

The Year Ended March 31, 2019 (From April 1, 2018 To March 31, 2019)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,305,327	5,631,892	1,576,267	1,028,699	1,032,062	11,574,247	—	11,574,247
(2) Inter-segment sales	2,269,621	465,403	261,788	544,685	30,612	3,572,109	(3,572,109)	—
Total	4,574,948	6,097,295	1,838,055	1,573,384	1,062,674	15,146,356	(3,572,109)	11,574,247
Operating income (loss)	167,901	72,063	(16,702)	71,092	(5,425)	288,929	29,295	318,224

Notes: 1. Regions are representing the location of the Company and its group companies.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada, and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia, and other European countries
- (3) Asia : China, Thailand, India, and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

【Related information】

[Information about net sales by geographical area]

The Year Ended March 31, 2018 (From April 1, 2017 To March 31, 2018)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,841,268	5,839,868	4,726,783	1,845,292	1,279,439	1,145,302	11,951,169

Notes: 1. Regions are representing customers' location.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada, and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia, and other European countries
- (3) Asia : China, Thailand, India, and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico, etc.

The Year Ended March 31, 2019 (From April 1, 2018 To March 31, 2019)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,904,712	5,492,142	4,533,029	1,657,339	1,318,704	1,201,350	11,574,247

Notes: 1. Regions are representing customers' location.

2. Areas are segmented based on their geographical proximity and their mutual operational relationship.

3. Major countries and areas which belong to segments other than Japan are as follows:

- (1) North America : The United States of America, Canada, and Mexico
- (2) Europe : France, The United Kingdom, Spain, Russia, and other European countries
- (3) Asia : China, Thailand, India, and other Asian countries
- (4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico, etc.

(Amounts per share)

(Yen)

	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)
Net assets per share	1,380.36	1,355.18
Basic earnings per share	190.96	81.59
Diluted earnings per share	190.96	81.59

- Notes: 1. The basis for calculation of the basic earnings per share and the diluted earnings per share is as follows.
2. FY2017 consolidated financial position are adjusted by changes in accounting policies due to the revision of the accounting standards.

	FY2017 (From April 1, 2017 To March 31, 2018)	FY2018 (From April 1, 2018 To March 31, 2019)
Basic earnings per share:		
Net income attributable to owners of parent (Millions of yen)	746,892	319,138
Net income attributable to owners of parent relating to common stock (Millions of yen)	746,892	319,138
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,911,158	3,911,716
Diluted earnings per share:		
Increase in shares of common stock (Thousands of shares)	58	4
(Exercise of share subscription rights (Thousands of shares))	58	4

(Significant subsequent events)

Not applicable.