



NISSAN MOTOR CORPORATION



CONTENTS

This annual report presents the results of Nissan Motor Corporation's business activities for fiscal 2018.

Viewing this Report



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Cover photo: Nissan LEAF

Financial Data

To obtain more detailed financial information, please visit our IR website.

▶▶ website

- This annual report contains forward-looking statements on Nissan's plans and targets, and related operating investment, product planning and production targets. Please note that there can be no assurance that these targets and plans will actually be achieved. Achieving them will depend on many factors, including Nissan's activities and development as well as the dynamics of the automobile industry worldwide and the global economy.

For further information, please contact:

Nissan Motor Co., Ltd. Investor Relations Department
 1-1, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa
 220-8686, Japan
 Tel: +81 (0)45-523-5520
 Fax: +81 (0)45-523-5771
 E-mail: nissan-ir@mail.nissan.co.jp

Global Corporate Communications Department
 Global Communications Division

Tel: +81 (0)45-523-5552
 Fax: +81 (0)45-523-5770

VISION

Nissan: Enriching People's Lives

Nissan has a clear vision for the future, and – with our Alliance partner, Renault – we are working with passion to achieve it. Our mission is to enrich people's lives, building trust with our employees, customers, dealers, partners, shareholders and the world at large.

MISSION

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders* in alliance with Renault.

* Our stakeholders include customers, shareholders, employees, dealers and suppliers, as well as the communities where we work and operate.



FINANCIAL HIGHLIGHTS

	For the years ended	2017	2016	2015	2014	2013
		Mar. 31, 2018	Mar. 31, 2017	Mar. 31, 2016	Mar. 31, 2015	Mar. 31, 2014
Net sales ¹	Millions of yen	11,951,169	11,720,041	12,189,519	11,375,207	10,482,520
Ordinary income	Millions of yen	750,302	864,733	862,272	694,232	527,189
Net income attributable to owners of parent	Millions of yen	746,892	663,499	523,841	457,574	389,034
Comprehensive income	Millions of yen	740,338	615,950	75,107	719,903	796,533
Net assets	Millions of yen	5,688,735	5,167,136	5,140,745	5,247,262	4,671,528
Total assets	Millions of yen	18,746,901	18,421,008	17,373,643	17,045,659	14,703,403
Net assets per share	Yen	1,377.05	1,242.90	1,132.61	1,152.83	1,035.06
Basic earnings per share	Yen	190.96	165.94	125.00	109.15	92.82
Diluted earnings per share	Yen	190.96	165.94	124.99	109.14	92.82
Net assets as a percentage of total assets	%	28.7	26.4	27.2	28.4	29.5
Rate of return on equity	%	14.6	13.8	11.0	10.0	9.6
Price earnings ratio	Times	5.78	6.47	8.33	11.21	9.91
Cash flows from operating activities	Millions of yen	1,071,250	1,335,473	927,013	692,747	728,123
Cash flows from investing activities	Millions of yen	(1,147,719)	(1,377,626)	(1,229,280)	(1,022,025)	(1,080,416)
Cash flows from financing activities	Millions of yen	36,810	320,610	530,606	245,896	396,925
Cash and cash equivalents at end of the period	Millions of yen	1,206,000	1,241,124	992,095	802,612	832,716
Employees ²	Number	138,910	137,250	152,421	149,388	142,925
		(19,924)	(19,366)	(19,007)	(20,381)	(21,750)
() represents the average number of part-time employees not included in the above numbers		140,603	138,917	154,700	151,710	147,939
		(20,290)	(19,716)	(19,343)	(20,748)	(22,642)

Notes:

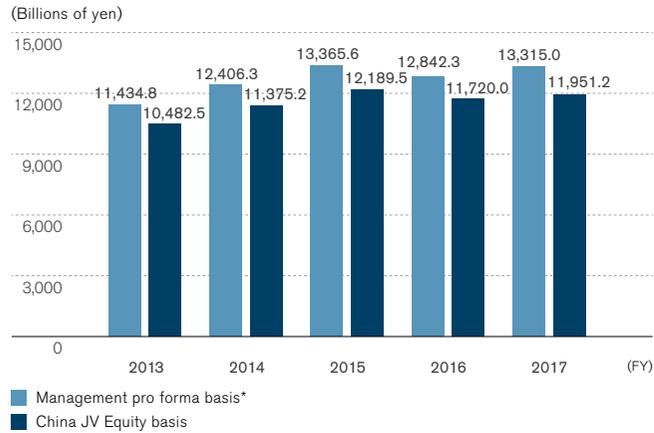
¹ Net sales are presented exclusive of consumption tax.

² Staff numbers, which are presented as the lower numbers in the "Employees" line, include those of unconsolidated subsidiaries accounted for by the equity method as reference data.

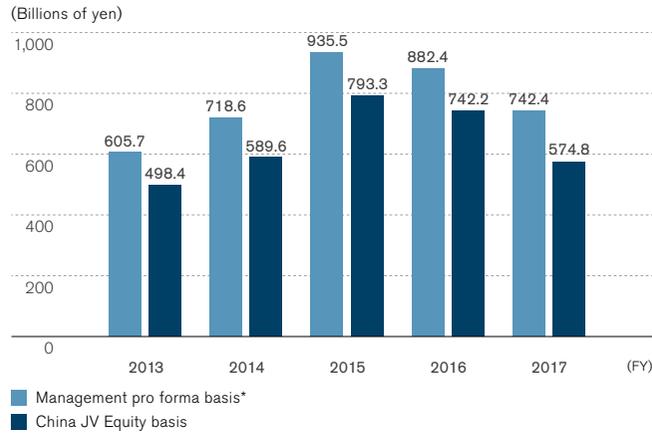
Key figures for fiscal 2017
(China JV Equity Basis)

Net sales in fiscal year 2017 increased by 231.2 billion yen to 11.95 trillion yen. Operating profit was 574.8 billion yen, for a profit margin of 4.8%.

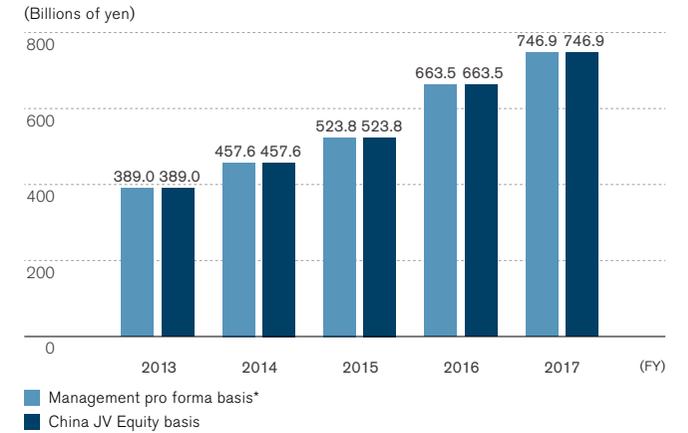
Net Sales



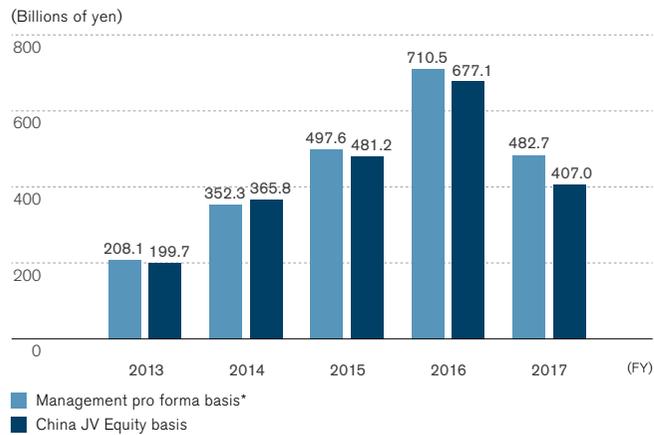
Operating Profit



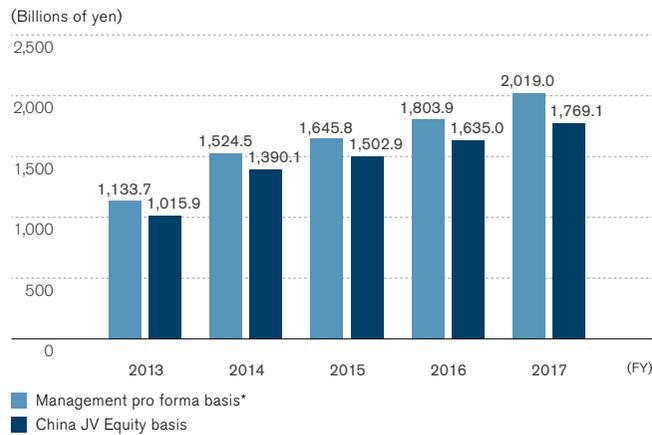
Net Income



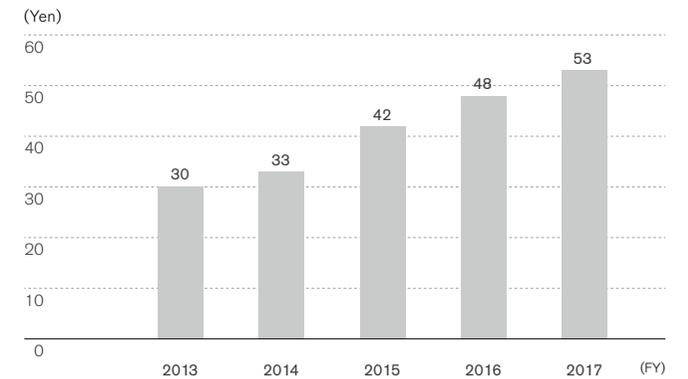
Free Cash Flow (Auto Business)



Net Cash (Auto Business)



Dividend per Share



* Based on continuation of proportionate consolidation of China JV

MESSAGE FROM THE CEO



Hiroto Saikawa
President and Chief Executive Officer

Introduction

On March 26, Nissan received operational improvement orders from the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT) related to non-conformities in the final vehicle inspection process at our vehicle manufacturing plants in the Japan market. With our customer's peace of mind as our top priority, the company is taking this issue seriously and is committed to restoring the trust of our customers.

The entire company is focusing its efforts on these countermeasures to prevent any reoccurrence of these issues. We are reviewing and discussing the progress of these measures at our monthly Executive Committee meetings, and giving additional direction whenever necessary to ensure that they are effectively implemented.

In addition to those countermeasures in the assembly lines related to the final inspection process and the recently discovered issues, we are enhancing the audit scheme in order to detect

issues and make necessary improvements. Furthermore, the company is taking comprehensive, company-wide measures to strengthen compliance for the future.

FY2017 Updates

In fiscal year 2017, following the capital tie-up with Mitsubishi Motors, Nissan launched Nissan M.O.V.E. to 2022, the new six-year midterm plan.

In fiscal year 2017, Nissan's global sales volume outpaced total industry volume, increasing 2.6% to 5.77 million units. We achieved steady growth while promoting and accelerating Nissan Intelligent Mobility, our key initiative for innovation.

As a fundamental pillar for steady growth, Nissan continued to offer new products and technologies in fiscal year 2017. This included the global launch of the new Nissan LEAF. In Japan, we introduced the Serena e-POWER. The X-Trail in Japan and the Rogue in the U.S. are now offered with ProPILOT. We introduced a new model, the Datsun CROSS, and in China, where the local brand market is growing, our local brand Venucia introduced the D60 and M50V.

Progress of Nissan M.O.V.E. to 2022

Nissan M.O.V.E. to 2022 has two missions: one is to achieve steady growth, and the second is to advance the technology and business evolution sweeping the automotive industry. During the first year of the plan, we made steady progress within each mission.

In terms of steady growth, one of the initiatives is a focus on China. To respond to the country's growth potential, our joint venture launched its midterm plan, DFL TRIPLE ONE Plan, to establish a foundation for future business. One objective of the plan is to increase annual sales by 1 million units by 2022.

On the product side, we are focusing on growing the sales of our pick-up trucks and frame-based SUVs, which have been inherent strengths for Nissan. Nissan's sales growth in the previous year was steady, and we will double the growth, driven by the introduction of the new Terra and by increasing sales of the Titan in the U.S.

In addition to driving steady growth, we will increase our technology presence through Nissan Intelligent Mobility. In the area of electrification, the new Nissan LEAF was launched in Japan and deployed globally. The NOTE e-Power and Serena e-Power are accelerating our electrification in Japan.

In China, the EV market is rapidly expanding. Our joint venture's EV sales exceeded 20,000 units in calendar year 2017, more than three times the previous calendar year. In fiscal year 2018, we will introduce a top-level version of the new Nissan LEAF with longer range and increased power, along with the Sylphy Zero Emission in China. As a result, our sales volume is expected to double.

Alongside electrification, we are expanding our driver assist technology ProPILOT globally with the new Nissan LEAF, X-Trail, and Rogue. In fiscal year 2018, ProPILOT will be offered on the new Altima, Qashqai, Rogue Sport and INFINITI QX50, and we will continue equipping models in the U.S. and Europe with this technology.

In the area of mobility services, we began conducting field tests of "EasyRide" autonomous driving in Japan with our partner DeNA. These tests are a significant first step to enabling customers to experience real services and technologies. In addition, through the Renault-Nissan-Mitsubishi alliance, we signed a memorandum of understanding with DiDi to explore the possibility of cooperating on a new electric vehicle car-sharing program in China.

Nissan continues to leverage the benefits of the Renault-Nissan-Mitsubishi alliance, which is essential for Nissan's future growth and mid-term activities. To create more synergies, the alliance announced accelerated convergence beginning in fiscal year 2018 in several key functions including engineering, manufacturing, purchasing quality/total customer satisfaction (TCS), aftersales and business development. As an equal partner, Nissan will be proactively involved in the delivery of synergies and convergence, in order to maximize the benefits of the alliance, respecting each members' independence and autonomy.

FY2018 Actions

In fiscal year 2017, Nissan introduced a number of initiatives under the new midterm plan Nissan M.O.V.E. to 2022. At the same time, we faced unexpected challenges, including the recall and suspension of production and shipments following the final vehicle inspection issue in Japan, as well as inventory adjustments due to the decline in the U.S. market. As a result, we reported a reduced operating profit for the fiscal year.

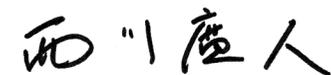
In fiscal year 2018, Nissan is committed to addressing these issues and advancing our midterm initiatives. We will adhere to the PDCA (plan, do, check and action) cycle and enhance the business foundations. We will improve quality of sales and brand value, promote digitalization to improve customer experience and internal processes, and develop a robust corporate culture with the highest ethical standards and compliance awareness. These are fundamental for the successful execution of the midterm plan. Through these actions, Nissan will achieve steady growth.

Further supporting this growth, in fiscal year 2018, our global retail volumes are expected to increase by 2.7% to 5.925 million units. Looking across the regions, we forecast a decline in sales in the U.S. and Europe for this fiscal year, but aim to offset this by sales growth in Japan, China, Latin America, ASEAN and other markets.

Nissan will also continue to launch attractive new products and expand new technologies. In addition to the global launch of a top-range version of the new Nissan LEAF, the new Altima in North America, and the Sylphy Zero Emission in China will go on sale. We are offering ProPILOT technology on Qashqai and Rogue Sport. INFINITI QX50 will be equipped with ProPILOT and the new variable compression ratio engine, VC-Turbo unit. We will also launch a new frame-based SUV Terra and the Kicks in the U.S.

Overall, we are determined to address the remaining challenges and solidify our strong position for steady growth. We will adapt to changes in the business climate, while expanding our business in growing markets and enhancing profitability in mature markets. At the same time, Nissan will continue to increase its readiness for further technological innovation and business evolution.

Thank you for your continued support.



Hiroto Saikawa
President and Chief Executive Officer
Nissan Motor Co., Ltd.

MESSAGE FROM THE CFO



Hiroshi Karube
Chief Financial Officer

I was appointed as chief financial officer of Nissan Motor Company in fiscal year 2018. In this role, I am committed to continuing Nissan's financial performance and cost controls as we progress with our Nissan M.O.V.E. to 2022 midterm strategy.

In fiscal year 2017, the first year of the plan, Nissan generated an operating profit of 574.8 billion yen after special items, under the equity accounting basis of our joint venture in China. The special items included the recent final vehicle inspection issue in Japan and the settlement of the U.S. class action lawsuits related to Takata airbags, which amounted to a total of 100 billion yen. As a result, final operating profit was 574.8 billion yen. Net income increased compared to the previous year, reaching at a record high of 746.9 billion yen due to the increase in non-operating income, mainly the improvements of the Chinese joint venture and the impact from the U.S. tax reform. Free cash flow maintained at a healthy level, and net cash has increased.

In terms of sales, our global sales rose 2.6 percent to 5.77 million units, outperforming total industry volume, which increased more than 1.9 percent. Nissan's increase was driven by our

growth in China, where sales increased a significant 12.2% to 1.52 million units, representing a market share of 5.6%. In Japan, Nissan's sales increased 4.8% over the previous year, despite a temporary suspension of production and shipments caused by the vehicle inspection issue. This tells us that our Nissan Intelligent Mobility offensive, led by Note e-POWER, Serena with ProPILOT, and the new Nissan LEAF, is well accepted by customers. In the U.S., we saw a continuing high demand in Rogue and Rogue Sports.

As we look to the year ahead, we expect our unit sales to outperform total industry volumes, increasing by 2.7% to 5.925 million units. We forecast sales growth in Japan, China and other markets such as Latin America and ASEAN. We are expecting net revenues of 12.0 trillion yen for fiscal year 2018. Operating profit is forecast at 540.0 billion yen, for an operating profit margin of 4.5%. We expect to report a net income of 500.0 billion yen. This is based on exchange rate forecasts of 105 yen to the dollar, and 130 yen to the euro.

Meanwhile, Nissan intends to maintain a progressive dividend policy that reflects its underlying profitability and healthy free cash flow. In fiscal year 2017, the company lifted the full year dividend to 53 yen per share, a 10.4% increase versus the prior year level. For fiscal year 2018, we intend to continue with our progressive returns to shareholders. We are forecasting a 7.5% increase in the full year dividend to 57 yen per share.

In conclusion, we will continue to deliver sustainable growth with profitability, drive advancements, and provide significant value for shareholders in fiscal year 2018 and for the remainder of the midterm plan. As CFO, I look forward to moving the company forward.

Sincerely,

Hiroshi Karube
Chief Financial Officer

NISSAN M.O.V.E. TO 2022: BUILDING THE FOUNDATION FOR GROWTH AND EVOLUTION

Nissan M.O.V.E. to 2022

At the beginning of fiscal year 2017, Nissan began a new six-year midterm plan, Nissan M.O.V.E. to 2022. Over the course of the plan, Nissan aims to build on the solid business foundation that was established under the previous midterm plan, Nissan Power 88, while leveraging the benefits of the company's alliance with Renault and Mitsubishi.



Mobility



Operational excellence



Value to customers



Electrification

The name, Nissan M.O.V.E. to 2022, expresses the company's forward momentum, drawing on its strengths in **M**obility, **O**perational excellence, **V**alue to customers, and **E**lectrification.

Mission

1

Achieve sustainable growth, while delivering healthy profitability and strong free cash flow

2

Lead the technology and business evolution of the automotive industry, backed by our technology DNA

Path to 2022: Sustainable Growth

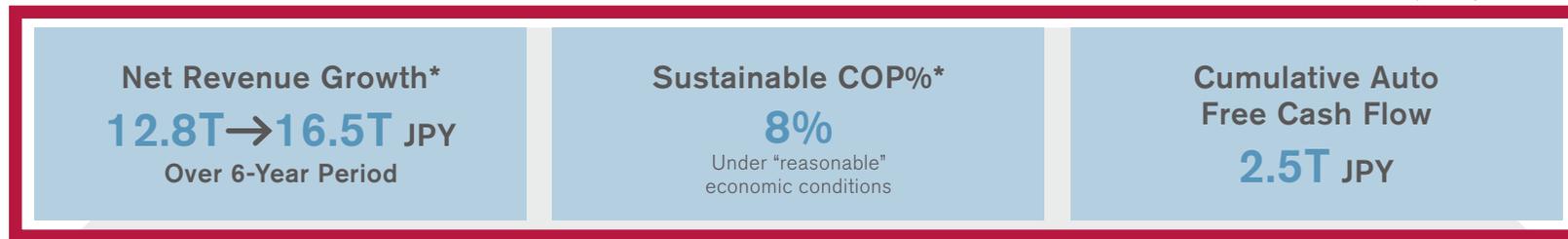
In terms of sustainable growth, the plan shows Nissan's aim to maintain a sustainable 8 percent operating margin while growing revenues from 12.8 trillion yen to 16.5 trillion yen – a growth of 30%.

There are three pillars that will support this growth. The first is a focus on steady growth with above average profitability in the markets that sustain our business, including China, Japan, and Mexico. The second is a focus on seeing a return on our investments in markets and brands where the full benefits are yet to be realized, including Brazil, Argentina, India, Russia. The final pillar is to

capture the full potential of our brands and close the gap with market leaders in markets such as Europe, the Middle East, and ASEAN. This third area also includes efforts to boost our business through maximizing our strengths in frame-based SUVs and pick-up trucks.

In addition to these market strategies, we will also continue to work on revenue optimization, total delivered cost improvements, and fixed cost controls, while ensuring appropriate allocations of investments for growth.

* Management pro forma basis



Steady Growth with Above Average Profitability
*US, China, Japan, Mexico
 Aftersales, Sales Finance*

Harvest Previous Investment
*Brazil, Argentina, India, Russia
 Infiniti / Datsun*

Capture Full Potential in markets & segments
*Europe, Middle East, ASEAN
 Frame SUV / Pick-ups*

Continuous improvement on operational efficiencies
Net Revenue Optimization, TdC Management, Fixed Cost Control

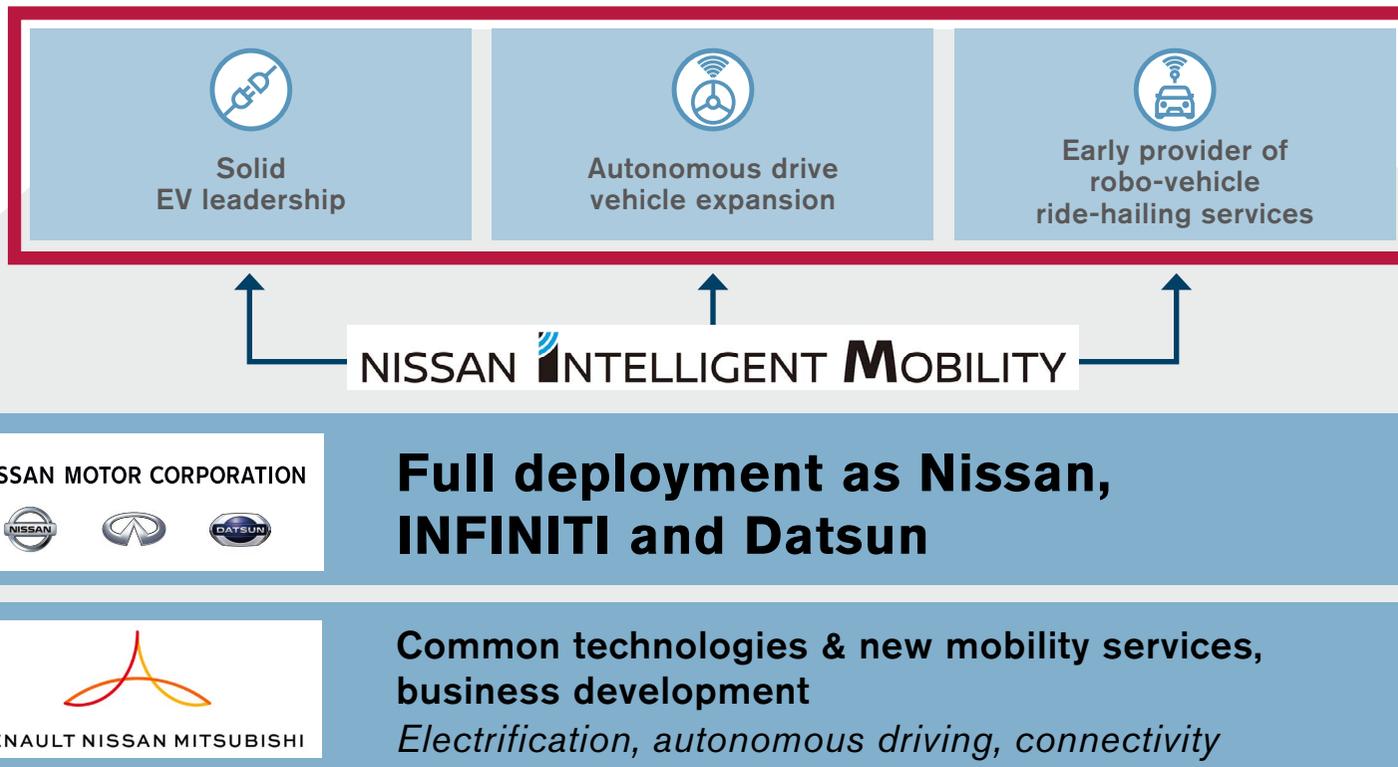
Path to 2022: Lead the evolution

In addition to sustainable growth, the company also intends to take the lead in new technologies and businesses. Harnessing the evolution of technologies such as electric vehicles, autonomous driving and connectivity, as well as the acceleration of new mobility services, Nissan is introducing new technologies and products through its Nissan Intelligent Mobility strategy. By the end of the plan, Nissan aims to maintain its EV leadership with a million electrified vehicles sold per year, including both EV and e-POWER; introduce cutting-edge autonomous driving technologies, including 20 models with ProPILOT technology in 20 markets; and provide mobility services delivered by autonomous vehicles, ahead of the rest of the industry.

To develop these technologies, Nissan will fully leverage the benefits of the Renault-Nissan-Mitsubishi alliance, and deliver advanced products through the Nissan, INFINITI, and Datsun brands.

The plan also includes clear strategies to enhance the business foundations, including further developing the company's diversity as a competitive advantage, ensuring quality assurance with a customer-centric mindset, a renewed focus on compliance, an acceleration of digitization, and the securing of necessary production capacity to support our growth, especially in China.

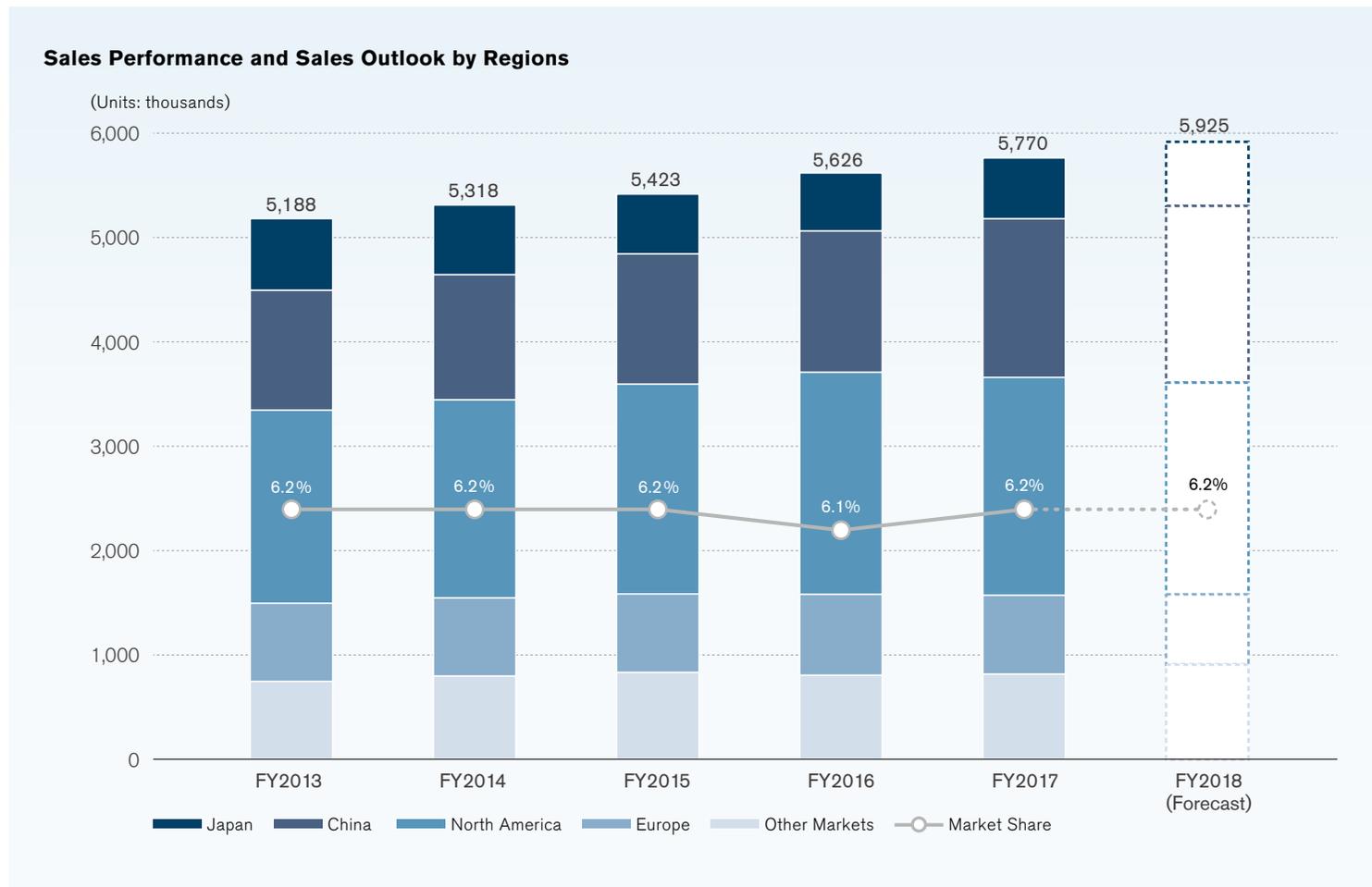
By the end of Nissan M.O.V.E. to 2022, Nissan will be in a strong position to address challenges, harness opportunities and deliver on the mission of sustainable growth and leadership in the business and technology evolution ahead.



FISCAL YEAR 2017 SALES PERFORMANCE AND FISCAL YEAR 2018 SALES OUTLOOK

Global demand in fiscal 2017 reached 93.52 million vehicles, up 1.9% from fiscal 2016. Nissan's global sales volume climbed 2.6% to 5.77 million vehicles and global market share was 6.2%.

For fiscal 2018, Nissan expects to grow faster than the industry as a whole. We anticipate that total industry volume will increase by 2.0% to 95.40 million units. Our global retail volumes are expected to rise by 2.7% to 5.925 million units. This would equate to a global market share of 6.2%.



Fiscal 2017 Sales Volume by Regions

Japan



Serena e-POWER
Note e-POWER

Total Sales Volume: **584** thousand units

China



X-TRAIL

Total Sales Volume: **1,520** thousand units

North America



Rogue

Total Sales Volume: **2,091** thousand units

Europe



Qashqai

Total Sales Volume: **756** thousand units

Other Markets



Datsun redi-GO
KICKS

Total Sales Volume: **819** thousand units

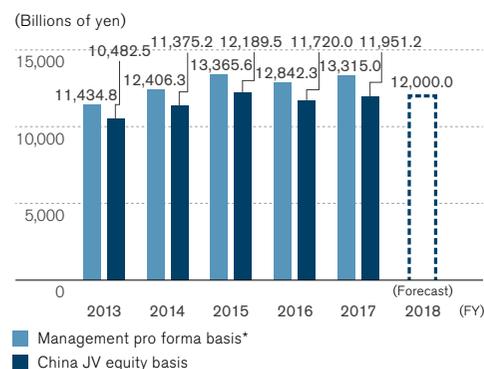
FISCAL YEAR 2017 FINANCIAL REVIEW AND FISCAL YEAR 2018 OUTLOOK

Fiscal Year 2017 Financial Performance (China JV Equity Basis)

Net revenue

For the year ended March 31, 2018, consolidated net revenues increased 2.0%, to 11.95 trillion yen.

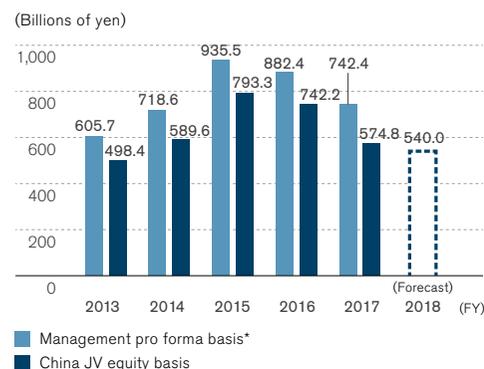
Net Sales



Operating profit

Consolidated operating profit totaled 574.8 billion yen, resulting in an operating profit margin of 4.8%.

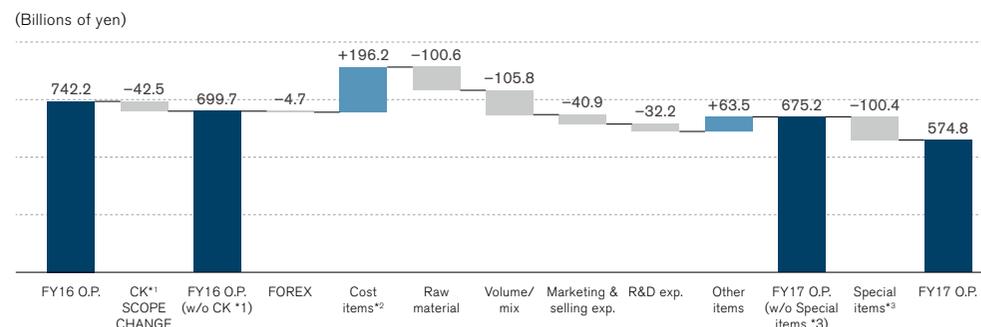
Operating Profit



In comparison to the previous fiscal year's consolidated operating profit, after adjusting the divestiture of Calsonic Kansei, the variance was due to the following factors:

- Foreign exchange rates had a negative impact of 4.7 billion yen.
- Cost items including monozukuri-related cost reduction efforts contributed 196.2 billion yen.
- Raw materials had a negative impact of 100.6 billion yen.
- Volume and mix had a negative impact of 105.8 billion yen.
- Increase in marketing and selling expenses resulted in a negative impact of 40.9 billion yen.
- R&D and manufacturing expenses increased by 32.2 billion yen.
- Other items had a positive impact of 63.5 billion yen.
- Special items, including the final vehicle inspection issue in Japan and the settlement of the U.S. class action lawsuits related to Takata air bags, had a negative impact of 100.4 billion yen.

Impact on Operating Profit



*1: Calsonic Kansei

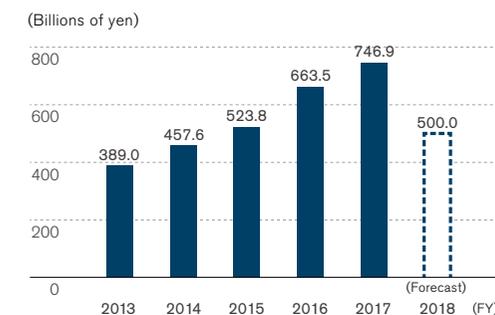
*2: Including purchase cost reduction and product enrichment.

*3: Including inspection impacts and class action settlement.

Net income

Consolidated net income increased 12.6% from fiscal year 2016 to 746.9 billion yen for the fiscal year.

Net Income



Financial Position (China JV Equity Basis)

Balance sheet

At March 31, 2018, current assets have increased by 1.9% to 11,682.8 billion yen compared to March 31, 2017. This was mainly attributable to an increase in sales finance receivables by 294.1 billion yen.

Fixed assets have increased by 1.5% to 7,064.1 billion yen compared to March 31, 2017. This was mainly attributable to an increase in investment securities by 105.9 billion yen.

As a result, total assets have increased by 1.8% to 18,746.9 billion yen compared to March 31, 2017.

Current liabilities have decreased by 4.4% to 6,744.4 billion yen compared to March 31, 2017. This was mainly attributable to decreases in current portion of long-term borrowings by 187.3 billion yen and short-term borrowings by 177.7 billion yen.

Long-term liabilities have increased by 1.8% to 6,313.8 billion yen compared to March 31, 2017. This was mainly due to an increase in bonds by 394.2 billion yen despite a decrease in deferred tax liabilities by 206.4 billion yen.

As a result, total liabilities have decreased by 1.5% to 13,058.2 billion yen compared to March 31, 2017.

Net assets have increased by 10.1% to 5,688.7 billion yen compared to 5,167.1 billion yen as of March 31, 2017. This was mainly attributable to an increase in retained earnings by 559.6 billion yen.

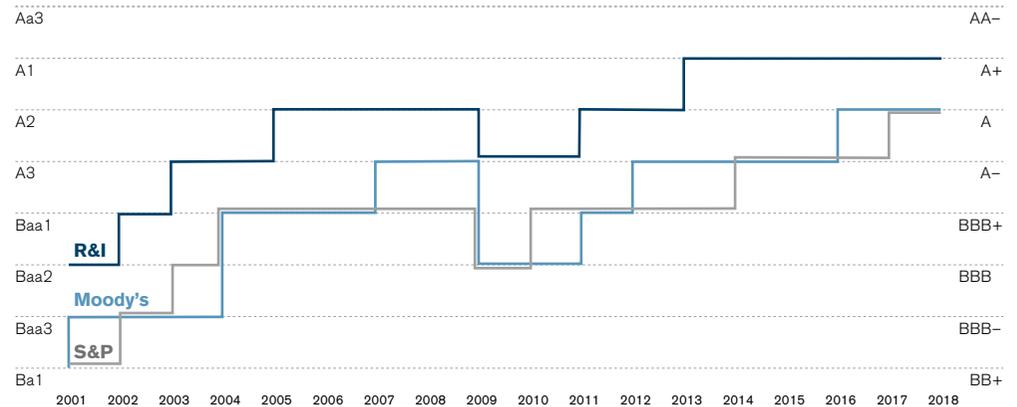
Free cash flow and net cash (auto business)

For fiscal year 2017, automotive free cash flow was a positive 407.0 billion yen. As a result, automotive net cash was 1.769 trillion yen at the end of the period.

Long-term credit rating

Nissan's long-term credit rating with Rating & Investment Information, Inc. (R&I) is A+ with a positive outlook. The Standard & Poor's (S&P) long-term credit rating for Nissan is A with a stable outlook. Nissan's credit rating with Moody's is A2 with a stable outlook.

Corporate Ratings



FINANCIAL STATEMENTS

Consolidated balance sheets (China JV Equity basis)

	(Millions of yen)	
	FY2016 As of March 31, 2017	FY2017 As of March 31, 2018
Assets		
Current assets		
Cash on hand and in banks	1,122,484	1,134,838
Trade notes and accounts receivable	808,981	739,851
Sales finance receivables	7,340,636	7,634,756
Securities	121,524	71,200
Merchandise and finished goods	911,553	880,518
Work in process	73,409	91,813
Raw materials and supplies	288,199	318,218
Deferred tax assets	156,457	152,452
Other	746,650	775,771
Allowance for doubtful accounts	(107,344)	(116,572)
Total current assets	11,462,549	11,682,845
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	609,769	600,675
Machinery, equipment and vehicles, net	3,342,305	3,392,134
Land	599,626	598,780
Construction in progress	177,394	209,237
Other, net	546,127	464,808
Total property, plant and equipment	5,275,221	5,265,634
Intangible fixed assets	127,807	128,782
Investments and other assets		
Investment securities	1,158,676	1,264,532
Long-term loans receivable	16,036	12,654
Net defined benefit assets	8,456	10,552
Deferred tax assets	176,354	175,940
Other	197,757	207,764
Allowance for doubtful accounts	(1,848)	(1,802)
Total investments and other assets	1,555,431	1,669,640
Total fixed assets	6,958,459	7,064,056
Total assets	18,421,008	18,746,901

	(Millions of yen)	
	FY2016 As of March 31, 2017	FY2017 As of March 31, 2018
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,578,594	1,646,638
Short-term borrowings	980,654	802,952
Current portion of long-term borrowings	1,339,982	1,152,719
Commercial papers	430,019	402,918
Current portion of bonds	368,101	396,637
Lease obligations	31,565	25,766
Accrued expenses	1,112,591	1,114,053
Deferred tax liabilities	2	2
Accrued warranty costs	110,086	115,568
Other	1,102,626	1,087,133
Total current liabilities	7,054,220	6,744,386
Long-term liabilities		
Bonds	1,493,159	1,887,404
Long-term borrowings	3,103,803	3,053,712
Lease obligations	20,398	16,248
Deferred tax liabilities	601,398	395,026
Accrued warranty costs	128,394	120,210
Net defined benefit liability	369,346	352,861
Other	483,154	488,319
Total long-term liabilities	6,199,652	6,313,780
Total liabilities	13,253,872	13,058,166
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	817,464	815,913
Retained earnings	4,349,136	4,908,747
Treasury stock	(140,697)	(139,970)
Total shareholders' equity	5,631,717	6,190,504
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	57,778	68,179
Unrealized gain and loss from hedging instruments	7,154	9,537
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(13,945)
Translation adjustments	(687,841)	(733,571)
Remeasurements of defined benefit plans	(133,016)	(135,967)
Total accumulated other comprehensive income	(769,870)	(805,867)
Share subscription rights	391	84
Non-controlling interests	304,898	303,914
Total net assets	5,167,136	5,688,735
Total liabilities and net assets	18,421,008	18,746,901

Consolidated statement of income (China JV Equity basis)

	(Millions of yen)	
	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Net sales	11,720,041	11,951,169
Cost of sales	9,422,551	9,814,001
Gross profit	2,297,490	2,137,168
Selling, general and administrative expenses		
Advertising expenses	313,406	304,328
Service costs	79,125	74,569
Provision for warranty costs	131,059	122,135
Other selling expenses	251,378	251,593
Salaries and wages	402,202	410,156
Retirement benefit expenses	20,809	17,883
Supplies	4,083	4,413
Depreciation and amortization	50,773	53,928
Provision for doubtful accounts	88,550	90,461
Amortization of goodwill	1,818	1,057
Other	212,059	231,885
Total selling, general and administrative expenses	1,555,262	1,562,408
Operating income	742,228	574,760
Non-operating income		
Interest income	15,868	21,092
Dividends income	9,416	6,663
Equity in earnings of affiliates	148,178	205,645
Derivative gain	33,419	—
Miscellaneous income	20,914	15,938
Total non-operating income	227,795	249,338
Non-operating expenses		
Interest expense	14,128	12,670
Derivative loss	—	5,001
Exchange loss	65,289	26,772
Credit liquidation costs	10,906	13,854
Miscellaneous expenses	14,967	15,499
Total non-operating expenses	105,290	73,796
Ordinary income	864,733	750,302

	(Millions of yen)	
	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Special gains		
Gain on sales of fixed assets	7,114	10,408
Gain on sales of shares of subsidiaries and affiliates	111,502	—
Gain on transfer of business	9,788	—
Other	8,663	2,184
Total special gains	137,067	12,592
Special losses		
Loss on sales of fixed assets	9,256	4,149
Loss on disposal of fixed assets	11,253	10,644
Loss on sales of investment securities	3,865	259
Impairment loss	5,532	16,166
Compensation for supplier investment	—	13,612
Other	6,737	7,321
Total special losses	36,643	52,151
Income before income taxes	965,157	710,743
Income taxes-current	275,818	140,571
Income taxes-deferred	(11,179)	(193,485)
Total income taxes	264,639	(52,914)
Net income	700,518	763,657
Net income attributable to non-controlling interests	37,019	16,765
Net income attributable to owners of parent	663,499	746,892

Consolidated statement of cash flows (China JV Equity basis)

	(Millions of yen)	
	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Income before income taxes	965,157	710,743
Depreciation and amortization (for fixed assets excluding leased vehicles)	391,798	388,427
Depreciation and amortization (for long term prepaid expenses)	22,910	31,264
Depreciation and amortization (for leased vehicles)	426,349	469,540
Impairment loss	5,532	16,166
Increase (decrease) in allowance for doubtful receivables	22,959	12,558
Provision for residual value risk of leased vehicles (net changes)	63,049	40,716
Interest and dividends income	(25,284)	(27,755)
Interest expense	119,310	168,206
Equity in losses (earnings) of affiliates	(148,178)	(205,645)
Loss (gain) on sales of fixed assets	2,142	(6,259)
Loss on disposal of fixed assets	11,253	10,644
Loss (gain) on sales of investment securities	3,865	(53)
Loss (gain) on sales of shares of subsidiaries and affiliates	(111,502)	—
Loss (gain) on transfer of business	(9,788)	—
Decrease (increase) in trade notes and accounts receivable	(42,584)	73,149
Decrease (increase) in sales finance receivables	(765,894)	(530,842)
Decrease (increase) in inventories	(32,660)	9,612
Increase (decrease) in trade notes and accounts payable	296,060	108,330
Retirement benefit expenses	26,707	11,028
Payments related to net defined benefit assets and liability	(24,517)	(24,025)
Other	190,498	76,234
Subtotal	1,387,182	1,332,038
Interest and dividends received	24,467	28,203
Proceeds from dividends income from affiliates accounted for by equity method	127,772	134,300
Interest paid	(117,213)	(159,578)
Income taxes paid	(86,735)	(263,713)
Net cash provided by operating activities	1,335,473	1,071,250

	(Millions of yen)	
	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
Cash flows from investing activities		
Net decrease (increase) in short-term investments	(2,119)	3,868
Purchase of fixed assets	(503,745)	(398,797)
Proceeds from sales of fixed assets	72,814	39,742
Purchase of leased vehicles	(1,293,840)	(1,430,561)
Proceeds from sales of leased vehicles	512,375	645,167
Payments of long-term loans receivable	(1,581)	(555)
Collection of long-term loans receivable	2,096	732
Purchase of investment securities	(270,228)	(26,207)
Proceeds from sales of investment securities	—	10,168
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	97,055	—
Net decrease (increase) in restricted cash	4,779	9,124
Proceeds from transfer of business	9,582	—
Other	(4,814)	(400)
Net cash used in investing activities	(1,377,626)	(1,147,719)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	16,119	(147,508)
Proceeds from long-term borrowings	1,724,688	1,413,908
Proceeds from issuance of bonds	878,641	858,002
Repayments of long-term borrowings	(1,369,795)	(1,463,828)
Redemption of bonds	(344,009)	(362,911)
Proceeds from non-controlling shareholders	1,275	—
Purchase of treasury stock	(277,419)	(6)
Proceeds from sales of treasury stock	128	1,357
Repayments of lease obligations	(26,265)	(34,633)
Cash dividends paid	(182,803)	(197,541)
Cash dividends paid to non-controlling interests	(99,950)	(15,757)
Purchase of treasury stock of subsidiaries	—	(14,273)
Net cash provided by financing activities	320,610	36,810
Effects of exchange rate changes on cash and cash equivalents	(34,875)	4,535
Increase (decrease) in cash and cash equivalents	243,582	(35,124)
Cash and cash equivalents at beginning of the period	992,095	1,241,124
Increase due to inclusion in consolidation	5,447	—
Cash and cash equivalents at the end of the period	1,241,124	1,206,000

EXECUTIVES

DIRECTORS OF THE BOARD AND AUDITORS

Representative Directors

Carlos Ghosn
Chairman of the Board

Hiroto Saikawa
Greg Kelly

Directors

Hideyuki Sakamoto
Toshiyuki Shiga
Jean-Baptiste Duzan*

Bernard Rey
Keiko Ihara*
Masakazu Toyoda*

* Outside Director

Auditors

Hidetoshi Imazu
Motoo Nagai
Tetsunobu Ikeda
Shigetoshi Andoh
(As of June 30, 2018)

CORPORATE OFFICERS

Chairman of the Board
Carlos Ghosn

President and Chief Executive Officer
Hiroto Saikawa*

Chief Planning Officer (CPO)
Philippe Klein*
Global Product Planning
Global Program Management
Global Market Intelligence
Vehicle Information Technology

Chief Performance Officer (CPO)
Jose Munoz*
Seven management committees
Chairman of Management Committee for China
Business Units

Chief Competitive Officer (CCO)
Yasuhiro Yamauchi*

Chief Quality Officer (CQO)
Christian Vandenhende*
Quality and Total Customer Satisfaction

Chief Financial Officer (CFO)
Hiroshi Karube*
Finance
Control
IR
M&A Support

Executive Vice President
Hideyuki Sakamoto*
Manufacturing & SCM Operations

Executive Vice President
Tsuyoshi Yamaguchi
Alliance Technology Development

Executive Vice President
Daniele Schillaci*
Global Marketing & Sales
Global Dealer Network
Global Product Marketing
Zero Emission Vehicle & Battery Business
Chairman of Management Committee for Japan/A&O (Japan, Asia, Oceania Business)

Senior Vice Presidents
Hitoshi Kawaguchi
Takao Asami
Jun Seki
Jose Luis Valls
Takashi Hata
Roland Krueger
Arun Bajaj
Asako Hoshino
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Hari Nada
Noboru Tateishi
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Peyman Kargar
Denis Le Vot
Gianluca De Ficchy
Kunio Nakaguro*
Atul Pasricha
Makoto Uchida

Corporate Vice Presidents
Joji Tagawa
Yusuke Takahashi
Roel De Vries
Tony Laydon
Mitsuro Antoku
Toshihiro Hirai
Hiroshi Nagaoka
Akihiro Otomo
Kent O'Hara
Leon Dorssters
Atsuhiko Hayakawa
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Catherine Perez
Jose Roman
Carlos Servin
Tony Thomas
Seiji Honda
Eiichi Akashi
Ivan Espinosa
Shohei Yamazaki

Fellows
Haruyoshi Kumura
Shunichi Toyomasu

(As of June 30, 2018)

* Executive Committee Members

CHAIRMAN OF THE BOARD



Carlos Ghosn

EXECUTIVE COMMITTEE MEMBERS



Hiroto Saikawa



Philippe Klein



Jose Munoz



Yasuhiro Yamauchi



Christian Vandenhende



Hiroshi Karube



Hideyuki Sakamoto



Daniele Schillaci



Kunio Nakaguro

NISSAN SUSTAINABILITY 2022

Nissan launched Nissan Sustainability 2022, a plan to reduce the company's environmental impact, strengthen diversity and inclusion, and enhance governance, in line with the company's midterm plan, Nissan M.O.V.E. to 2022. The company is working to achieve a world with zero emissions and zero fatalities by strengthening its environmental, social and governance initiatives.

[▶ website](#)
Click here for more information on the 2018 Sustainability Report.



Environmental Initiatives

Nissan is on the fourth generation of its Nissan Green Program, a series of midterm environmental action plans first launched in fiscal 2001, implementing its environmental initiatives to create a zero emission society. With an overarching vision set for 2050, the plan focuses on providing value to society by addressing climate change, resource dependency, air quality and water scarcity towards 2022.

Social Initiatives

Nissan has long considered driving safety and corporate philanthropy to be the hallmarks of its social initiatives. As part of its Nissan Intelligent Mobility strategy, Nissan is introducing advanced safety technologies and autonomous driving technologies such as ProPILOT, to advance the ultimate goal of reducing fatalities involving Nissan vehicles to zero. Nissan is also focused on promoting diversity to become a truly inclusive company where its diverse employees can achieve their potential.

Governance Initiatives

Nissan is improving its governance through an enhanced compliance system. As part of this effort, the company appointed two new independent directors at the beginning of the current fiscal year. By reinforcing governance, Nissan is contributing to the growth of the company while increasing its stakeholder value.



Click here for more information about each of these three fields.

- ▶ website
- ▶ website
- ▶ website

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Click here for more information about Nissan's risk management.