



Financial Results for the Nine Months Ended December 31, 2019 (Japanese Accounting Standards) (Consolidated)

February 13, 2020

Company name : Nissan Motor Co., Ltd. <Tokyo Stock Exchange in Japan>
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 Scheduled date of filing Shihanki-Houkokusho : February 14, 2020
 Scheduled date of payment of cash dividends : —
 The additional materials of the Financial Results for the Third Quarter : Yes
 The briefing session of the Financial Results for the Third Quarter : Yes

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2019 (April 1, 2019 through December 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	%
Nine Months Ended								
December 31, 2019	7,507,286	(12.5)	54,343	(82.7)	141,432	(70.0)	39,273	(87.6)
December 31, 2018	8,578,426	0.6	313,677	(13.9)	471,845	(5.0)	316,663	(45.2)

Note : Comprehensive income : (85,025) million yen for the nine months ended December 31, 2019 , —%
 224,244 million yen for the nine months ended December 31, 2018 , (66.3)%

	Basic earnings per share	Diluted earnings per share
Nine Months Ended	yen	yen
December 31, 2019	10.04	10.04
December 31, 2018	80.96	80.96

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets
	Millions of yen	Millions of yen	%
FY2019 3rd quarter	18,088,598	5,421,166	27.9
FY2018	18,952,345	5,623,510	28.0

Reference: Net assets excluding share subscription rights and non-controlling interests: 5,051,448 million yen as of December 31, 2019,
 5,302,675 million yen as of March 31, 2019

2. Dividends

	Annual cash dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	yen	yen	yen	yen	yen
FY2018	—	28.50	—	28.50	57.00
FY2019	—	10.00	—		
FY2019 forecast				0.00	10.00

Note : Changes in dividends forecast for FY2019 from the latest disclosure : Yes

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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2019	10,200,000	(11.9)	85,000	(73.3)	65,000	(79.6)	16.61

Note : Changes in forecast of consolidated operating results for FY2019 from the latest disclosure : Yes

※ Notes

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

<2> Adoption of specific accounting policies for quarterly consolidated financial statements : Applicable

Note: See attached page10 "(4) Notes to Quarterly Consolidated Financial Statements - (Adoption of specific accounting policies for quarterly consolidated financial statements) "

<3> Changes in accounting policies, accounting estimation change and restatement

<3>-1 Changes in accounting policies due to the revision of the accounting standards. : Applicable

<3>-2 Changes in accounting policies except for those in <3>-1 : None

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

<3>-4 Restatement : None

Note: See attached page10 "(4) Notes to Quarterly Consolidated Financial Statements - (Changes in accounting policies) "

<4> Number of shares issued

<4>-1 Number of shares issued at the end of the period (including treasury stocks)

FY2019 3rd quarter	4,220,715,112 shares	FY2018	4,220,715,112 shares
FY2019 3rd quarter	307,577,799 shares	FY2018	307,810,623 shares
FY2019 3rd quarter	3,913,049,221 shares	FY2018 3rd quarter	3,911,412,316 shares

<4>-2 Number of treasury stocks at the end of the period

<4>-3 The average number of shares issued during the nine months ended December 31

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

※ Explanation regarding the appropriate use of forecast of operating results and other remarks

The financial forecast of operating results is based on judgements and estimates that have been made using currently available information.

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

For other remarks, please refer to "Other Information" on page 17.

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1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Third Quarter (As of December 31, 2019)
Assets		
Current assets		
Cash on hand and in banks	1,219,588	1,204,178
Trade notes and accounts receivable	512,164	410,955
Sales finance receivables	7,665,603	7,006,061
Securities	139,470	214,327
Merchandise and finished goods	827,289	947,689
Work in process	64,386	89,259
Raw materials and supplies	366,248	399,454
Other	945,449	825,768
Allowance for doubtful accounts	(127,092)	(123,798)
Total current assets	11,613,105	10,973,893
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	590,717	653,132
Machinery, equipment and vehicles, net	3,436,437	3,284,725
Land	595,776	593,218
Construction in progress	233,070	216,816
Other, net	449,698	449,957
Total property, plant and equipment	5,305,698	5,197,848
Intangible fixed assets	134,471	121,641
Investments and other assets		
Investment securities	1,338,875	1,206,388
Other	562,554	591,084
Allowance for doubtful accounts	(2,358)	(2,256)
Total investments and other assets	1,899,071	1,795,216
Total fixed assets	7,339,240	7,114,705
Total assets	18,952,345	18,088,598

(in millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Third Quarter (As of December 31, 2019)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,580,452	1,407,632
Short-term borrowings	850,995	933,801
Current portion of long-term borrowings	1,630,771	1,564,738
Commercial papers	697,549	839,571
Current portion of bonds	583,457	785,942
Lease obligations	19,846	33,364
Accrued expenses	1,183,888	999,897
Accrued warranty costs	116,492	108,601
Other	1,067,081	912,459
Total current liabilities	7,730,531	7,586,005
Long-term liabilities		
Bonds	1,691,844	1,308,322
Long-term borrowings	2,539,186	2,390,500
Lease obligations	16,038	77,968
Accrued warranty costs	116,425	110,208
Net defined benefit liability	378,967	383,280
Other	855,844	811,149
Total long-term liabilities	5,598,304	5,081,427
Total liabilities	13,328,835	12,667,432
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	814,682	818,056
Retained earnings	4,961,980	4,835,532
Treasury stock	(139,457)	(139,272)
Total shareholders' equity	6,243,019	6,120,130
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	30,004	21,261
Unrealized gain and loss from hedging instruments	4,762	(6,603)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(30,882)	(33,070)
Translation adjustments	(790,131)	(886,785)
Remeasurements of defined benefit plans	(154,097)	(163,485)
Total accumulated other comprehensive income	(940,344)	(1,068,682)
Non-controlling interests	320,835	369,718
Total net assets	5,623,510	5,421,166
Total liabilities and net assets	18,952,345	18,088,598

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

The Nine-Month Period Ended December 31
Quarterly consolidated statements of income

	(in millions of yen)	
	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)
Net sales	8,578,426	7,507,286
Cost of sales	7,165,907	6,395,531
Gross profit	1,412,519	1,111,755
Selling, general and administrative expenses		
Advertising expenses	227,430	210,163
Provision for warranty costs	91,979	90,853
Other selling expenses	149,424	147,273
Salaries and wages	305,904	288,680
Retirement benefit expenses	14,035	16,043
Provision for doubtful accounts	52,621	63,799
Other	257,449	240,601
Total selling, general and administrative expenses	1,098,842	1,057,412
Operating income	313,677	54,343
Non-operating income		
Interest income	23,121	16,511
Dividends income	8,098	7,277
Equity in earnings of affiliates	149,497	83,790
Derivative gain	27,553	—
Exchange gain	—	25,800
Miscellaneous income	24,950	7,950
Total non-operating income	233,219	141,328
Non-operating expenses		
Interest expense	9,084	8,419
Derivative loss	—	26,412
Exchange loss	41,140	—
Miscellaneous expenses	24,827	19,408
Total non-operating expenses	75,051	54,239
Ordinary income	471,845	141,432
Special gains		
Gain on sales of fixed assets	13,572	8,668
Other	1,937	4,716
Total special gains	15,509	13,384
Special losses		
Loss on sales of fixed assets	2,074	5,398
Loss on disposal of fixed assets	7,426	9,340
Special addition to retirement benefits	7,939	8,089
Other	8,634	17,519
Total special losses	26,073	40,346
Income before income taxes	461,281	114,470
Income taxes	128,201	62,950
Net income	333,080	51,520
Net income attributable to non-controlling interests	16,417	12,247
Net income attributable to owners of parent	316,663	39,273

Quarterly consolidated statements of comprehensive income

	(in millions of yen)	
	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)
Net income	333,080	51,520
Other comprehensive income		
Unrealized holding gain and loss on securities	(36,235)	(4,678)
Unrealized gain and loss from hedging instruments	(129)	(10,988)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,689)	(2,616)
Translation adjustments	(21,379)	(57,325)
Remeasurements of defined benefit plans	1,077	(5,008)
The amount for equity method company portion	(38,481)	(55,930)
Total other comprehensive income	(108,836)	(136,545)
Comprehensive income	224,244	(85,025)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	212,683	(89,065)
Comprehensive income attributable to non-controlling interests	11,561	4,040

The Three-Month Period Ended December 31
Quarterly consolidated statements of income

	(in millions of yen)	
	Prior Third Quarter (From October 1, 2018 To December 31, 2018)	Current Third Quarter (From October 1, 2019 To December 31, 2019)
Net sales	3,045,704	2,504,211
Cost of sales	2,545,216	2,160,648
Gross profit	500,488	343,563
Selling, general and administrative expenses		
Advertising expenses	80,316	67,109
Provision for warranty costs	32,500	31,309
Other selling expenses	56,813	54,558
Salaries and wages	105,491	96,764
Retirement benefit expenses	4,835	5,523
Provision for doubtful accounts	25,867	19,296
Other	91,324	46,269
Total selling, general and administrative expenses	397,146	320,828
Operating income	103,342	22,735
Non-operating income		
Interest income	8,239	4,551
Dividends income	49	529
Equity in earnings of affiliates	36,278	—
Derivative gain	31,192	—
Exchange gain	—	31,811
Miscellaneous income	14,105	3,158
Total non-operating income	89,863	40,049
Non-operating expenses		
Interest expense	3,335	2,726
Equity in losses of affiliates	—	478
Derivative loss	—	25,839
Exchange loss	35,406	—
Miscellaneous expenses	12,551	7,951
Total non-operating expenses	51,292	36,994
Ordinary income	141,913	25,790
Special gains		
Gain on sales of fixed assets	3,349	1,850
Other	1,735	1,529
Total special gains	5,084	3,379
Special losses		
Loss on sales of fixed assets	1,650	2,161
Loss on disposal of fixed assets	3,011	3,199
Impairment loss	1,116	4,554
Other	3,838	9,504
Total special losses	9,615	19,418
Income before income taxes	137,382	9,751
Income taxes	61,532	31,731
Net income (loss)	75,850	(21,980)
Net income attributable to non-controlling interests	5,445	4,112
Net income (loss) attributable to owners of parent	70,405	(26,092)

Quarterly consolidated statements of comprehensive income

	(in millions of yen)	
	Prior Third Quarter	Current Third Quarter
	(From October 1, 2018 To December 31, 2018)	(From October 1, 2019 To December 31, 2019)
Net income (loss)	75,850	(21,980)
Other comprehensive income		
Unrealized holding gain and loss on securities	(15,685)	7,817
Unrealized gain and loss from hedging instruments	(2,238)	393
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	4,819	2,792
Translation adjustments	(94,514)	55,197
Remeasurements of defined benefit plans	3,223	(17,541)
The amount for equity method company portion	3,065	(28,029)
Total other comprehensive income	(101,330)	20,629
Comprehensive income	(25,480)	(1,351)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(28,633)	(3,922)
Comprehensive income attributable to non-controlling interests	3,153	2,571

(3) Quarterly Consolidated Statements of Cash Flows

	(in millions of yen)	
	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)
Cash flows from operating activities		
Income before income taxes	461,281	114,470
Depreciation and amortization (for fixed assets excluding leased vehicles)	288,128	288,138
Depreciation and amortization (for long term prepaid expenses)	21,471	30,378
Depreciation and amortization (for leased vehicles)	363,896	333,665
Increase (decrease) in allowance for doubtful accounts	(2,358)	(4,250)
Interest and dividends income	(31,219)	(23,788)
Interest expense	150,185	153,222
Equity in losses (earnings) of affiliates	(149,497)	(83,790)
Loss (gain) on sales of fixed assets	(11,498)	(3,270)
Loss on disposal of fixed assets	7,426	9,340
Decrease (increase) in trade notes and accounts receivable	282,031	106,087
Decrease (increase) in sales finance receivables	4,827	575,691
Decrease (increase) in inventories	(190,662)	(164,811)
Increase (decrease) in trade notes and accounts payable	(248,114)	(328,161)
Retirement benefit expenses	20,793	22,902
Payments related to net defined benefit assets and liabilities	(21,396)	(23,159)
Other	(47,281)	(47,133)
Subtotal	898,013	955,531
Interest and dividends received	34,149	22,588
Proceeds from dividends income from affiliates accounted for by equity method	75,881	105,065
Interest paid	(142,516)	(148,794)
Income taxes paid	(113,040)	(124,107)
Net cash provided by (used in) operating activities	752,487	810,283
Cash flows from investing activities		
Net decrease (increase) in short-term investments	540	492
Purchase of fixed assets	(294,687)	(359,792)
Proceeds from sales of fixed assets	35,707	39,617
Purchase of leased vehicles	(1,001,641)	(867,286)
Proceeds from sales of leased vehicles	553,527	559,570
Payments of long-term loans receivable	(293)	(302)
Collection of long-term loans receivable	3,287	564
Purchase of investment securities	(30,673)	(11,265)
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	440	1,746
Net decrease (increase) in restricted cash	55,240	114,242
Other	517	(520)
Net cash provided by (used in) investing activities	(678,036)	(522,934)

	(in millions of yen)	
	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	371,394	241,839
Proceeds from long-term borrowings	686,971	1,223,806
Proceeds from issuance of bonds	315,082	129,693
Repayments of long-term borrowings	(902,139)	(1,345,893)
Redemption of bonds	(149,199)	(282,870)
Proceeds from non-controlling shareholders	—	8,551
Purchase of treasury stock	(4)	(2)
Repayments of lease obligations	(20,981)	(27,503)
Cash dividends paid	(215,101)	(150,652)
Cash dividends paid to non-controlling interests	(15,354)	(16,901)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(13)	—
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	5,011
Net cash provided by (used in) financing activities	70,656	(214,921)
Effects of exchange rate changes on cash and cash equivalents	(27,668)	(19,185)
Increase (decrease) in cash and cash equivalents	117,439	53,243
Cash and cash equivalents at beginning of the period	1,206,000	1,359,058
Increase due to inclusion in consolidation	1,115	6,204
Cash and cash equivalents at end of the period	1,324,554	1,418,505

(4) Notes to Quarterly Consolidated Financial Statements

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

None

(Note to significant changes in shareholders' equity)

None

(Adoption of specific accounting policies for quarterly consolidated financial statements)

Calculation of tax expense

Income taxes are determined based on the amount of income before income taxes for the current third quarter ended December 31, 2019 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2020.

Deferred income taxes are included in income taxes.

(Changes in accounting policies)

1) International Financial Reporting Standards (IFRS) 16, “Leases” and Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, “Leases”

At foreign subsidiaries and affiliates, IFRS 16, “Leases” (January 13, 2016) and ASU 2016-02 “Leases” (February 25, 2016) have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, the Company generally recognizes all leases as a lessee as assets or liabilities on the consolidated balance sheet.

In adopting the accounting standards, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the nine months ended December 31, 2019.

As a result, mainly, the balance of property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the nine months ended December 31, 2019 increased by ¥77,412 million, ¥12,319 million, and ¥72,158 million, respectively, while retained earnings decreased by ¥3,864 million.

The effects of these revisions on the quarterly consolidated statements of income for the nine months and the three months ended December 31, 2019 are immaterial.

2) International Financial Reporting Interpretations Committee (IFRIC) 23, “Uncertainty over Income Tax Treatments”

At some foreign subsidiaries and affiliates, IFRIC 23 “Uncertainty over Income Tax Treatments” (June 7, 2017) has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, if the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in income taxes.

In adopting the accounting standard, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the nine months ended December 31, 2019.

As a result, the balance of retained earnings at the beginning of the nine months ended December 31, 2019 decreased by ¥10,489 million. In addition, net income for the nine months ended December 31, 2019 increased by ¥9,380 million. On the other hand, net loss for the three months ended December 31, 2019 increased by ¥612 million due to this revision.

(Segment information)

【Current third quarter segment information】

〔Net sales and profits or losses by reportable segments〕

The Nine-month Period Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)

	Reportable segments			Elimination of inter-segment transactions	(in millions of yen) Nine Months Ended December 31, 2018
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	7,716,593	861,833	8,578,426	—	8,578,426
Inter-segment sales or transfers	115,930	37,274	153,204	(153,204)	—
Total	7,832,523	899,107	8,731,630	(153,204)	8,578,426
Segment profits	110,883	182,703	293,586	20,091	313,677

Prior Third Quarter (From October 1, 2018 To December 31, 2018)

	Reportable segments			Elimination of inter-segment transactions	(in millions of yen) Prior Third Quarter
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	2,754,128	291,576	3,045,704	—	3,045,704
Inter-segment sales or transfers	44,922	12,984	57,906	(57,906)	—
Total	2,799,050	304,560	3,103,610	(57,906)	3,045,704
Segment profits	45,215	53,297	98,512	4,830	103,342

Notes: 1. Main products of each business segment

- (1) Automobile : passenger cars, commercial vehicles, manufacturing parts for overseas production, etc.
- (2) Sales Financing : credit, lease, etc.

2. The accounting method for the reportable segments is the same as basis of preparation for the quarterly consolidated financial statements. The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction.

The Nine-month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine Months Ended December 31, 2019
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	6,672,221	835,065	7,507,286	—	7,507,286
Inter-segment sales or transfers	119,857	38,674	158,531	(158,531)	—
Total	6,792,078	873,739	7,665,817	(158,531)	7,507,286
Segment profits (loss)	(131,048)	177,914	46,866	7,477	54,343

Current Third Quarter (From October 1, 2019 To December 31, 2019)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Third Quarter
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	2,229,984	274,227	2,504,211	—	2,504,211
Inter-segment sales or transfers	42,232	12,869	55,101	(55,101)	—
Total	2,272,216	287,096	2,559,312	(55,101)	2,504,211
Segment profits (loss)	(39,843)	59,896	20,053	2,682	22,735

Notes: 1. Main products of each business segment

- (1) Automobile : passenger cars, commercial vehicles, manufacturing parts for overseas production, etc.
- (2) Sales Financing : credit, lease, etc.

2. In principle, the accounting method for the reportable segments is the same as basis of preparation for the quarterly consolidated financial statements. The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction.

[Consolidated Financial Statements by Business Segments]

*Regarding summarized consolidated statements of income and summarized consolidated statements of cash flows, 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. (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 quarterly consolidated statements of income by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)
Net sales	7,679,319	6,633,547	899,107	873,739	8,578,426	7,507,286
Cost of sales	6,553,432	5,813,106	612,475	582,425	7,165,907	6,395,531
Gross profit	1,125,887	820,441	286,632	291,314	1,412,519	1,111,755
Operating income as a percentage of net sales	1.7%	(1.9%)	20.3%	20.4%	3.7%	0.7%
Operating income (loss)	130,974	(123,571)	182,703	177,914	313,677	54,343
Financial income / expenses, net	22,155	15,370	(20)	(1)	22,135	15,369
Other non-operating income and expenses, net	132,792	69,732	3,241	1,988	136,033	71,720
Ordinary income (loss)	285,921	(38,469)	185,924	179,901	471,845	141,432
Income (loss) before income taxes	275,578	(61,187)	185,703	175,657	461,281	114,470
Net income (loss) attributable to owners of parent	187,371	(83,569)	129,292	122,842	316,663	39,273

2) Summarized quarterly consolidated statements of cash flows by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)
Cash flows from operating activities	270,350	(337,429)	482,137	1,147,712	752,487	810,283
Cash flows from investing activities	(376,290)	(333,487)	(301,746)	(189,447)	(678,036)	(522,934)
(Free Cash flow)	(105,940)	(670,916)	180,391	958,265	74,451	287,349
Cash flows from financing activities	240,349	716,776	(169,693)	(931,697)	70,656	(214,921)
Effects of exchange rate changes on cash and cash equivalents	(26,117)	(17,210)	(1,551)	(1,975)	(27,668)	(19,185)
Increase (decrease) in cash and cash equivalents	108,292	28,650	9,147	24,593	117,439	53,243
Cash and cash equivalents at beginning of the period	1,140,621	1,309,580	65,379	49,478	1,206,000	1,359,058
Increase due to inclusion in consolidation	1,115	6,204	—	—	1,115	6,204
Cash and cash equivalents at end of the period	1,250,028	1,344,434	74,526	74,071	1,324,554	1,418,505

[Net sales and profits or losses by region]

The Nine-month Period Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,663,888	4,209,190	1,140,199	762,120	803,029	8,578,426	—	8,578,426
(2) Inter-segment sales	1,780,926	354,539	214,828	414,355	23,695	2,788,343	(2,788,343)	—
Total	3,444,814	4,563,729	1,355,027	1,176,475	826,724	11,366,769	(2,788,343)	8,578,426
Operating income (loss)	171,093	114,933	(24,247)	54,208	(2,494)	313,493	184	313,677

Prior Third Quarter (From October 1, 2018 To December 31, 2018)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	552,092	1,565,925	393,010	257,761	276,916	3,045,704	—	3,045,704
(2) Inter-segment sales	629,257	100,949	68,642	150,649	9,973	959,470	(959,470)	—
Total	1,181,349	1,666,874	461,652	408,410	286,889	4,005,174	(959,470)	3,045,704
Operating income (loss)	57,079	29,499	(7,287)	24,658	(2,574)	101,375	1,967	103,342

Notes: 1. Regions represent 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 Nine-month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,583,137	3,649,528	964,494	678,546	631,581	7,507,286	—	7,507,286
(2) Inter-segment sales	1,452,294	332,558	154,870	365,928	28,985	2,334,635	(2,334,635)	—
Total	3,035,431	3,982,086	1,119,364	1,044,474	660,566	9,841,921	(2,334,635)	7,507,286
Operating income (loss)	9,611	58,177	(25,854)	32,659	(3,498)	71,095	(16,752)	54,343

Current Third Quarter (From October 1, 2019 To December 31, 2019)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	476,146	1,216,909	348,150	231,447	231,559	2,504,211	—	2,504,211
(2) Inter-segment sales	542,450	104,524	52,810	125,674	12,758	838,216	(838,216)	—
Total	1,018,596	1,321,433	400,960	357,121	244,317	3,342,427	(838,216)	2,504,211
Operating income (loss)	18,259	21,639	(4,416)	10,835	496	46,813	(24,078)	22,735

Notes: 1. Regions represent 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

[Information about geographical area]
(Net sales)

The Nine-month Period Ended December 31, 2018 (From April 1, 2018 To December 31, 2018)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,354,310	4,107,515	3,381,143	1,195,093	995,429	926,079	8,578,426

Prior Third Quarter (From October 1, 2018 To December 31, 2018)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
445,381	1,532,212	1,284,992	414,832	335,171	318,108	3,045,704

Notes: 1. Regions represent 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 Nine-month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,256,144	3,567,196	2,927,075	1,070,300	865,901	747,745	7,507,286

Current Third Quarter (From October 1, 2019 To December 31, 2019)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
370,974	1,188,789	968,177	374,852	294,850	274,746	2,504,211

Notes: 1. Regions represent 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.

2. Other Information

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Law (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Corporate Law (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violating the Financial Instruments and Exchange Law. The Company took this situation very seriously and formed a Special Committee for Improving Governance (SCIG) consisting of several independent third parties and independent Outside Directors of the Company. On March 27, 2019, Nissan's board of directors received a report from the SCIG that summarizes the committee's proposals for governance improvements and recommends a framework for the best governance as a foundation for Nissan business operations in the future. The Company has made the transition to a three statutory committee format.

On September 9, 2019, the board of directors of the Company received a report from the Audit Committee on the internal investigation into misconduct led by the Company's former chairman and others. As stated in the timely disclosure released on September 9, 2019 "Nissan board receives report on misconduct led by former chairman and others", the report confirmed specific instances of misconduct. Among these instances, Ghosn's personal use of the company's assets and improper payments of financial "incentives" to Nissan distributors instructed by Ghosn are as follows. Since September 9, 2019, there have been no changes made to the following contents at the time of submission of this report. In the future, if significant progress occurs in the following contents, we will disclose in accordance with relevant laws and regulations.

A) Ghosn's personal use of the company's assets

The report confirms that Ghosn used the company's assets for personal benefit, including:

- purchase of residences for exclusive personal use in Beirut and Rio de Janeiro using roughly 27 million U.S. dollars in investment funds from Zi-A Capital, a Nissan subsidiary established under the guise of investing in promising technology start-ups, and further misuse of other company funds to purchase or rent additional residences for personal use;
- payment of sums totaling more than 750,000 U.S. dollars to Ghosn's sister on the basis of a fictitious consulting contract, starting in 2003 and extending for over 10 years with no evidence of any services having been rendered;
- personal use of the corporate jets by Ghosn and members of his family;
- improper use of expenses toward family vacations and gifts of a personal nature;
- instruction of donations totaling more than 2 million U.S. dollars of company funds to universities in Ghosn's ancestral home country of Lebanon with no legitimate business purpose;
- transfer to Nissan in 2008 of foreign exchange swap contracts bearing unrealized losses of roughly 1.85 billion yen, based on a deceptive explanation to the Company's board regarding the nature of the transaction (in 2009, the swap contracts were secretly transferred back to a company related to Ghosn after being flagged as improper by Japan's financial authorities);
- improper payments totaling roughly 7.8 million Euros to Ghosn from a joint venture established by Nissan and MITSUBISHI MOTORS CORPORATION, paid from April 2018 onward under the pretext of a salary and an employment contract with the joint venture, despite the fact that no contract had been approved by the joint venture's board of directors.

B) Improper payments of financial "incentives" to Nissan distributors instructed by Ghosn

Ghosn instructed a Nissan subsidiary to make payments totaling 14.7 million U.S. dollars to a distributor managed by an acquaintance outside Japan who had previously offered him personal financial support (a fact Ghosn withheld from Nissan's board of directors and the relevant departments within the company). Payments were made under the pretext of covering expenses for special business projects and were approved through Nissan's CEO Reserve, an emergency budget over which only Ghosn and a selected few direct subordinates had approval authority.

Ghosn also instructed a Nissan subsidiary to make payments totaling 32 million U.S. dollars to a distributor outside Japan, an employee of which transferred tens of millions of dollars to Ghosn and a company related to Ghosn (a fact Ghosn withheld from Nissan's board of directors and the relevant departments within the company). Payments were made under the pretext of granting financial incentives to the distributor in question and were approved through the CEO Reserve.

The Company has filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and has filed a lawsuit based on the order seeking damages, etc. Also, on February 12, 2020, the Company has filed a lawsuit against Carlos Ghosn in Japan, seeking recovery of damages. Going forward, the

Company will continue to take necessary measures based on the findings of the Company's internal investigation, including legal action to claim damages, in order to account for the responsibility of the former chairman and others.

The Company has received a written notice of commencement of trial procedures dated December 13, 2019, from the Commissioner of the FSA. In response to this written notice, on December 23, 2019, the Company has submitted a written answer not disputing the alleged facts and the amount of the administrative monetary penalty. At a later date, the Company will pay the amount of the administrative monetary penalty in accordance with the payment order to be issued by the FSA.

In December 2019, new management has been established, whose members have been selected by the Nomination Committee. As demonstrated by the establishment of new management, strengthening of the supervisory function of internal audit, and so on, the Company is working on various countermeasures to prevent recurrence.

The Company continues its efforts to improve its governance, including ongoing implementation of the improvement measures stated in the Improvement Measures Status Report submitted to Tokyo Stock Exchange on January 16, 2020, as well as reviewing necessary improvements from time to time going forward. The Company also continues to reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.