

# FY2022 Consolidated Financial Results (Japanese Accounting Standards)



May 11, 2023

Company name : Nissan Motor Co., Ltd. <Tokyo Stock Exchange in Japan>  
 Code no : 7201 (URL: <https://www.nissan-global.com/EN/IR/>)  
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 Scheduled date of the general meeting of shareholders : To be determined 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 FY2022 : Yes  
 The briefing session of the Financial Results for FY2022 : Yes

(Amounts less than one million yen are rounded)

## 1. Consolidated Financial Results for FY2022 (April 1, 2022 through March 31, 2023)

### <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	%
FY2022	10,596,695	25.8	377,109	52.5	515,443	68.4	221,900	3.0
FY2021	8,424,585	7.1	247,307	—	306,117	—	215,533	—

Note: Comprehensive income : 606,837 million yen for FY2022, (12.0)% : 689,621 million yen for FY2021, —%

	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	%	%	%
FY2022	56.67	56.67	4.6	3.0	3.6
FY2021	55.07	55.07	5.1	1.9	2.9

Reference: Equity in earnings (losses) of affiliates : 171,275 million yen for FY2022, 94,302 million yen for FY2021

### <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
FY2022	17,598,581	5,615,140	29.2	1,310.74
FY2021	16,371,481	5,029,584	28.0	1,170.17

Reference: Net assets excluding share subscription rights and non-controlling interests: 5,134,649 million yen as of March 31, 2023, 4,580,601 million yen as of March 31, 2022

### <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
FY2022	1,221,051	(447,041)	(670,607)	2,014,387
FY2021	847,187	(146,835)	(1,092,645)	1,792,692

## 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	%	%
FY2021	—	0.00	—	5.00	5.00	19,573	9.1	0.5
FY2022	—	0.00	—	10.00	10.00	39,174	17.6	0.8
FY2023 forecast	—	—	—	—	15.00		18.7	

Note: For FY2023 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 FY2023 (April 1, 2023 through March 31, 2024)

(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
FY2023	12,400,000	17.0	520,000	37.9	315,000	42.0	80.41

Note: Forecast of consolidated operating results for FY2023 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: None

<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

<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

FY2022	4,220,715,112 shares	FY2021	4,220,715,112 shares
FY2022	303,358,832 shares	FY2021	306,252,046 shares
FY2022	3,915,382,156 shares	FY2021	3,914,068,172 shares

**(Reference) Non-Consolidated Financial Results****Results of FY2022 (April 1, 2022 through March 31, 2023)**

Results of non-consolidated operations for the year ended March 31, 2023

(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	%
FY2022	3,240,618	34.5	(238,220)	—	324,336	—	268,296	—
FY2021	2,409,348	(3.2)	(345,235)	—	(208,445)	—	(114,387)	—

	Net income per share - basic
	yen
FY2022	63.96
FY2021	(27.28)

**※ 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.

For other remarks, please refer to "Other Information" on page 21.

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## 1. Business Performance and Financial Position

### (1) Fiscal year 2022 business performance

In fiscal year 2022, the global industry volume increased by 2.7% to 80.51 million units. The Nissan Group (the "Group")'s global sales (on a retail basis) amounted to 3,305,000 units, a 14.7% decrease from the prior fiscal year mainly due to the effect of dealer inventory reductions which resulted in increase of retail volume in the previous year, in addition to supply chain disruptions and the semiconductor supply shortage. Also, the Group's market share decreased by 0.8 points to 4.1% from the prior fiscal year.

In Japan, TIV increased by 4.0% to 4.39 million units. The Group's sales volume (on a retail basis) increased by 6.1% to 454,000 units and the Group's market share increased by 0.2 points to 10.4% from the prior fiscal year.

In China, TIV increased by 5.7% to 26.01 million units. On the other hand, the Group's sales volume (on a retail basis) decreased by 24.3% to 1,045,000 units and the Group's market share decreased by 1.6 points to 4.0% from the prior fiscal year.

In North America, including Mexico and Canada, TIV decreased by 2.6% to 16.62 million units. The Group's sales volume (on a retail basis) in North America decreased by 13.5% to 1,023,000 units from the prior fiscal year.

In the United States of America, TIV decreased by 3.5% to 13.96 million units. The Group's sales volume (on a retail basis) decreased by 14.5% to 764,000 units and the Group's market share decreased by 0.7 points to 5.5% from the prior fiscal year.

In Europe, TIV decreased by 6.1% to 14.55 million units. The Group's sales volume (on a retail basis) in Europe, excluding Russia, increased by 5.5% to 305,000 units. Also, sales volume (on a retail basis) in Russia decreased by 92.3% to 4,000 units from the prior fiscal year.

In other markets, the Group's sales volume (on a retail basis) decreased by 12.8% to 474,000 units. Sales volume (on a retail basis) in Asia and Oceania decreased by 17.9% to 156,000 units, sales volume (on a retail basis) in Latin America decreased by 19.9% to 135,000 units, sales volume (on a retail basis) in Middle East increased by 2.8% to 120,000 units and sales volume (on a retail basis) in Africa decreased by 7.9% to 63,000 units from the prior fiscal year.

Net sales in fiscal year 2022 increased by ¥2,172.1 billion (25.8%) to ¥10,596.7 billion from the prior fiscal year. Operating income totaled ¥377.1 billion, which increased by ¥129.8 billion (52.5%) from the prior fiscal year. This was mainly attributable to revenue enhancement resulting from improvements in the quality of sales, the effect of improvements in costs and expenses, and favorable foreign exchange rate fluctuations despite a decrease in profit mainly due to an increase in raw material prices and inflation.

Net non-operating income of ¥138.3 billion was recorded, increased by ¥79.5 billion from the prior fiscal year. This result was primarily attributable to the increase in earnings of affiliates. Ordinary income of ¥515.4 billion was recorded, increased by ¥209.3 (68.4%) billion from the prior fiscal year. Net special losses of ¥113.0 billion were recorded, deteriorated by ¥191.1 billion from the prior fiscal year. This was mainly due to losses on the exit from the Russian market. Income before income taxes of ¥402.4 billion was recorded, increased by ¥18.2 billion (4.7%) from the prior fiscal year. Net income attributable to owners of parent of ¥221.9 billion was recorded, increased by ¥6.4 billion (3.0%) from the prior fiscal year.

For fiscal year 2022, free cash flows in the automobile business were ¥186.7 billion positives. The Group continues to maintain healthy levels of cash in the automotive business and ended the period with an automotive net cash position of ¥1,213.2 billion.

## **(2) Fiscal year 2022 financial position**

### **■ Assets**

Current assets have increased by 10.2% to ¥11,368.2 billion compared to March 31, 2022. This was mainly attributable to increases in cash on hand and in banks of ¥366.4 billion, merchandise and finished goods of ¥296.1 billion, sales finance receivables of ¥205.9 billion and trade notes and accounts receivable, and contract assets of ¥183.2 billion.

Fixed assets have increased by 2.9% to ¥6,224.6 billion compared to March 31, 2022. This was mainly attributable to an increase in investment securities of ¥121.9 billion.

As a result, total assets have increased by 7.5% to ¥17,598.6 billion compared to March 31, 2022.

### **■ Liabilities**

Current liabilities have increased by 10.2% to ¥6,769.3 billion compared to March 31, 2022. This was mainly due to an increase in trade notes and accounts payable of ¥516.5 billion.

Long-term liabilities have increased by 0.3% to ¥5,214.1 billion compared to March 31, 2022. This was mainly due to an increase in long-term borrowings of ¥238.0 billion despite a decrease in bonds of ¥205.2 billion.

As a result, total liabilities have increased by 5.7% to ¥11,983.4 billion compared to March 31, 2022.

### **■ Net Assets**

Net assets have increased by 11.6% to ¥5,615.1 billion compared to ¥5,029.6 billion as of March 31, 2022. This was mainly attributable to increases in translation adjustments of ¥401.1 billion and retained earnings of ¥204.4 billion.

## **(3) Fiscal year 2022 cash flows**

Cash and cash equivalents at the end of the current fiscal year increased by ¥221.7 billion (12.4%) to ¥2,014.4 billion, due to an increase in inflows from operating activities and a decrease in outflows from financing activities despite an increase in outflows from investment activities.

### **■ Operating Activities**

Net cash provided by operating activities increased by ¥373.9 billion to ¥1,221.1 billion in the current fiscal year from ¥847.2 billion provided in the prior fiscal year. This was mainly due to an improvement in profit and working capital.

### **■ Investing Activities**

Net cash used in investing activities increased by ¥300.2 billion to ¥447.0 billion in the current fiscal year from ¥146.8 billion used in the prior fiscal year. While there were proceeds from sale of Daimler AG shares in the prior fiscal year, there were deconsolidation of cash impact resulting from the transfer of Nissan Manufacturing RUS, Limited Liability Company shares, a decrease in the proceeds from sales of leased vehicles and an increase in restricted cash related to asset-backed securities in the sales finance business in the current fiscal year.

### **■ Financing Activities**

Net cash used in financing activities decreased by ¥422.0 billion to ¥670.6 billion in the current fiscal year from ¥1,092.6 billion used in the prior fiscal year. This was mainly due to a decrease in debt repayments.

#### **(4) Fiscal year 2023 financial forecast**

For fiscal year 2023, Nissan anticipates retail volume will increase by 21.0% to 4.0 million units.

Foreign exchange rate assumptions are ¥130.0 to the dollar and ¥135.0 to the euro for fiscal year 2023. We are forecasting net revenues increasing by 17.0% to ¥12.4 trillion, operating income increasing by 37.9% to ¥520.0 billion, and net income attributable to owners of parent increasing by 42.0% to ¥315.0 billion, from the prior fiscal year, for the year ending March 31, 2024.

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

- A positive impact from improvements in sales performance of ¥450.0 billion;
- A positive fluctuation in raw material prices of ¥30.0 billion;
- A negative foreign exchange movement of ¥85.0 billion;
- A decrease of ¥110.0 billion due to the increase in *monozukuri* cost;
- A decrease of ¥142.0 billion from other factors.

Based on our outlook, the situation of cash on hand, and the business environment for fiscal year 2023, we are forecasting the dividend to ¥15 or more 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 sheet

	(in millions of yen)	
	FY2021	FY2022
	(As of March 31, 2022)	(As of March 31, 2023)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	1,432,047	1,798,475
Trade notes and accounts receivable, and contract assets	402,489	585,639
Sales finance receivables	6,274,750	6,480,605
Securities	360,645	215,912
Merchandise and finished goods	645,620	941,687
Work in process	83,939	90,314
Raw materials and supplies	634,922	671,175
Other	620,368	730,629
Allowance for doubtful accounts	(138,771)	(146,225)
Total current assets	10,316,009	11,368,211
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	599,682	625,495
Machinery, equipment and vehicles, net	2,650,597	2,619,773
Land	585,217	580,651
Construction in progress	140,056	157,648
Other, net	390,401	385,714
Total property, plant and equipment	4,365,953	4,369,281
Intangible fixed assets	119,187	172,477
Investments and other assets		
Investment securities	1,054,886	1,176,832
Long-term loans receivable	7,640	12,680
Net defined benefit assets	56,491	56,106
Deferred tax assets	156,553	192,191
Other	295,324	252,368
Allowance for doubtful accounts	(6,959)	(7,314)
Total investments and other assets	1,563,935	1,682,863
Total fixed assets	6,049,075	6,224,621
Deferred assets		
Bond issuance costs	6,397	5,749
Total deferred assets	6,397	5,749
Total assets	16,371,481	17,598,581

	(in millions of yen)	
	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	1,395,642	1,912,151
Short-term borrowings	1,050,036	1,101,978
Current portion of long-term borrowings	1,251,998	1,085,256
Commercial papers	185,705	88,000
Current portion of bonds	471,460	556,367
Lease obligations	48,395	50,061
Accrued expenses	841,386	979,369
Accrued warranty costs	98,367	99,425
Other	800,219	896,719
Total current liabilities	6,143,208	6,769,326
Long-term liabilities		
Bonds	2,263,336	2,058,096
Long-term borrowings	1,775,221	2,013,251
Lease obligations	86,173	86,054
Deferred tax liabilities	321,380	299,256
Accrued warranty costs	112,804	115,544
Net defined benefit liability	191,073	184,851
Other	448,702	457,063
Total long-term liabilities	5,198,689	5,214,115
Total liabilities	11,341,897	11,983,441
<b>Net assets</b>		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	816,472	811,209
Retained earnings	3,843,479	4,047,870
Treasury stock	(138,061)	(136,172)
Total shareholders' equity	5,127,704	5,328,721
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	3,428	2,893
Unrealized gain and loss from hedging instruments	17,230	(3,346)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(38,109)	(51,079)
Translation adjustments	(512,770)	(111,694)
Remeasurements of defined benefit plans	(16,882)	(30,846)
Total accumulated other comprehensive income	(547,103)	(194,072)
Share subscription rights	—	273
Non-controlling interests	448,983	480,218
Total net assets	5,029,584	5,615,140
Total liabilities and net assets	16,371,481	17,598,581



**(2) Consolidated statement of income and consolidated statement of comprehensive income**

Consolidated statement of income

	(in millions of yen)	
	FY2021	FY2022
	(From April 1, 2021 To March 31, 2022)	(From April 1, 2022 To March 31, 2023)
Net sales	8,424,585	10,596,695
Cost of sales	7,070,531	8,882,846
<b>Gross profit</b>	<b>1,354,054</b>	<b>1,713,849</b>
Selling, general and administrative expenses		
Advertising expenses	247,552	283,505
Service costs	72,184	94,364
Provision for warranty costs	97,274	119,269
Other selling expenses	68,759	92,602
Salaries and wages	393,877	436,403
Retirement benefit expenses	7,990	12,247
Supplies	1,481	1,955
Depreciation and amortization	56,368	58,348
Provision for doubtful accounts	(42,490)	6,023
Amortization of goodwill	1,022	1,320
Other	202,730	230,704
Total selling, general and administrative expenses	1,106,747	1,336,740
<b>Operating income</b>	<b>247,307</b>	<b>377,109</b>
Non-operating income		
Interest income	16,952	39,276
Dividends income	3,005	83
Equity in earnings of affiliates	94,302	171,275
Derivative gain	14,533	43,392
Miscellaneous income	19,260	26,564
Total non-operating income	148,052	280,590
Non-operating expenses		
Interest expense	55,949	63,045
Exchange loss	8,900	51,948
Miscellaneous expenses	24,393	27,263
Total non-operating expenses	89,242	142,256
<b>Ordinary income</b>	<b>306,117</b>	<b>515,443</b>

(in millions of yen)

	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)
<b>Special gains</b>		
Gain on sales of fixed assets	34,471	22,992
Reversal of compensation for suppliers and others	10,314	8,193
Other	89,218	7,680
<b>Total special gains</b>	<b>134,003</b>	<b>38,865</b>
<b>Special losses</b>		
Loss on sales of fixed assets	4,004	5,793
Loss on disposal of fixed assets	14,463	15,115
Impairment loss	16,973	8,615
Loss on sales of shares of subsidiaries and affiliates	1,822	45,620
Loss on transfer of receivables	—	40,806
Compensation for suppliers and others	6,530	21,151
Other	12,118	14,772
<b>Total special losses</b>	<b>55,910</b>	<b>151,872</b>
<b>Income before income taxes</b>	<b>384,210</b>	<b>402,436</b>
Income taxes-current	79,979	196,619
Income taxes-deferred	65,461	(35,382)
<b>Total income taxes</b>	<b>145,440</b>	<b>161,237</b>
<b>Net income</b>	<b>238,770</b>	<b>241,199</b>
Net income attributable to non-controlling interests	23,237	19,299
<b>Net income attributable to owners of parent</b>	<b>215,533</b>	<b>221,900</b>

Consolidated statement of comprehensive income

	(in millions of yen)	
	FY2021	FY2022
	(From April 1, 2021 To March 31, 2022)	(From April 1, 2022 To March 31, 2023)
Net income	238,770	241,199
Other comprehensive income		
Unrealized holding gain and loss on securities	(59,947)	140
Unrealized gain and loss from hedging instruments	26,958	(26,000)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(140)	(1,479)
Translation adjustments	350,835	300,206
Remeasurements of defined benefit plans	58,794	(24,539)
The amount related to equity method companies	74,351	117,310
Total other comprehensive income	450,851	365,638
Comprehensive income	689,621	606,837
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	637,354	574,799
Comprehensive income attributable to non-controlling interests	52,267	32,038

**(3) Consolidated statement of changes in net assets**

FY 2021 (From April 1, 2021 To March 31, 2022)

(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	817,071	3,629,938	(139,259)	4,913,564	61,902	(10,639)
Cumulative effects of changes in accounting policies			(8,828)		(8,828)	47	
Restated balance	605,814	817,071	3,621,110	(139,259)	4,904,736	61,949	(10,639)
Changes of items during the period							
Net income attributable to owners of parent			215,533		215,533		
Purchase of treasury stock				(385)	(385)		
Disposal of treasury stock		(185)	(345)	1,583	1,053		
Changes in the scope of consolidation			7,020		7,020		
Changes in the scope of equity method			161		161		
Changes in affiliated companies' interests in its subsidiaries		(414)			(414)		
Net changes of items other than those in shareholders' equity						(58,521)	27,869
Total changes of items during the period		(599)	222,369	1,198	222,968	(58,521)	27,869
Balance at the end of current period	605,814	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230

	Accumulated other comprehensive income				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	(36,498)	(906,200)	(77,536)	(968,971)	395,233	4,339,826
Cumulative effects of changes in accounting policies				47	(268)	(9,049)
Restated balance	(36,498)	(906,200)	(77,536)	(968,924)	394,965	4,330,777
Changes of items during the period						
Net income attributable to owners of parent						215,533
Purchase of treasury stock						(385)
Disposal of treasury stock						1,053
Changes in the scope of consolidation						7,020
Changes in the scope of equity method						161
Changes in affiliated companies' interests in its subsidiaries						(414)
Net changes of items other than those in shareholders' equity	(1,611)	393,430	60,654	421,821	54,018	475,839
Total changes of items during the period	(1,611)	393,430	60,654	421,821	54,018	698,807
Balance at the end of current period	(38,109)	(512,770)	(16,882)	(547,103)	448,983	5,029,584

FY 2022 (From April 1, 2022 To March 31, 2023)

(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	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230
Effects of hyperinflation							
Restated balance	605,814	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230
Changes of items during the period							
Cash dividends paid			(19,573)		(19,573)		
Net income attributable to owners of parent			221,900		221,900		
Purchase of treasury stock				(344)	(344)		
Disposal of treasury stock			(990)	2,233	1,243		
Changes in the scope of consolidation			(5,806)		(5,806)		
Changes in the scope of equity method			8,860		8,860		
Changes in interests by purchase of subsidiaries' shares		(3)			(3)		
Changes in interests by capital injection of subsidiaries		(5,247)			(5,247)		
Changes in affiliated companies' interests in its subsidiaries		(13)			(13)		
Net changes of items other than those in shareholders' equity						(535)	(20,576)
Total changes of items during the period		(5,263)	204,391	1,889	201,017	(535)	(20,576)
Balance at the end of current period	605,814	811,209	4,047,870	(136,172)	5,328,721	2,893	(3,346)

	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	(38,109)	(512,770)	(16,882)	(547,103)	—	448,983	5,029,584
Effects of hyperinflation	(13,090)	13,222		132			132
Restated balance	(51,199)	(499,548)	(16,882)	(546,971)	—	448,983	5,029,716
Changes of items during the period							
Cash dividends paid							(19,573)
Net income attributable to owners of parent							221,900
Purchase of treasury stock							(344)
Disposal of treasury stock							1,243
Changes in the scope of consolidation							(5,806)
Changes in the scope of equity method							8,860
Changes in interests by purchase of subsidiaries' shares							(3)
Changes in interests by capital injection of subsidiaries							(5,247)
Changes in affiliated companies' interests in its subsidiaries							(13)
Net changes of items other than those in shareholders' equity	120	387,854	(13,964)	352,899	273	31,235	384,407
Total changes of items during the period	120	387,854	(13,964)	352,899	273	31,235	585,424
Balance at the end of current period	(51,079)	(111,694)	(30,846)	(194,072)	273	480,218	5,615,140

**(4) Consolidated statement of cash flows**

	(in millions of yen)	
	FY2021	FY2022
	(From April 1, 2021 To March 31, 2022)	(From April 1, 2022 To March 31, 2023)
<b>Cash flows from operating activities</b>		
Income before income taxes	384,210	402,436
Depreciation and amortization (for fixed assets excluding leased vehicles)	296,911	335,242
Depreciation and amortization (for long term prepaid expenses)	44,018	41,194
Depreciation and amortization (for leased vehicles)	348,074	317,304
Impairment loss	16,973	8,615
Increase (decrease) in allowance for doubtful accounts	(51,771)	9,905
Provision for residual value risk of leased vehicles (net changes)	(42,816)	(43,549)
Interest and dividends income	(19,957)	(39,359)
Interest expense	174,194	206,281
Equity in losses (earnings) of affiliates	(94,302)	(171,275)
Loss (gain) on sales of fixed assets	(30,467)	(17,199)
Loss on disposal of fixed assets	14,463	15,115
Loss (gain) on sales of shares of subsidiaries and affiliates	1,252	45,569
Decrease (increase) in trade notes and accounts receivable, and contract assets	140,242	(167,742)
Decrease (increase) in sales finance receivables	476,338	221,475
Decrease (increase) in inventories	(12,498)	(196,712)
Increase (decrease) in trade notes and accounts payable	(414,416)	543,424
Other	(216,314)	(134,191)
Subtotal	1,014,134	1,376,533
Interest and dividends received	19,943	32,902
Proceeds from dividends income from affiliates accounted for by equity method	82,671	163,385
Interest paid	(174,732)	(198,208)
Income taxes paid	(94,829)	(153,561)
Net cash provided by (used in) operating activities	847,187	1,221,051
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	2,795	2,209
Purchase of fixed assets	(315,202)	(322,725)
Proceeds from sales of fixed assets	54,639	33,968
Purchase of leased vehicles	(808,684)	(810,777)
Proceeds from sales of leased vehicles	734,703	679,146
Payments of long-term loans receivable	(4,787)	(1,533)
Collection of long-term loans receivable	1,907	3,083
Purchase of investment securities	(13,803)	(1,849)
Proceeds from sales of investment securities	169,815	310
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	—	(9,730)
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	154	(30,842)
Net decrease (increase) in restricted cash	30,091	(20,256)
Proceeds from sales of businesses	—	5,273
Other	1,537	26,682
Net cash provided by (used in) investing activities	(146,835)	(447,041)

	(in millions of yen)	
	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	120,623	(149,413)
Proceeds from long-term borrowings	1,131,051	1,364,681
Proceeds from issuance of bonds	478,425	199,168
Repayments of long-term borrowings	(2,241,109)	(1,471,738)
Redemption of bonds	(524,920)	(526,076)
Proceeds from non-controlling shareholders	5,311	1,650
Purchase of treasury stock	(2)	(1)
Purchase of treasury shares of subsidiaries	—	(5,529)
Repayments of lease obligations	(47,785)	(55,315)
Cash dividends paid	—	(19,573)
Cash dividends paid to non-controlling interests	(14,239)	(8,457)
Payments from changes in ownership interests in subsidiaries that do not result in change in the scope of consolidation	—	(4)
Net cash provided by (used in) financing activities	(1,092,645)	(670,607)
Effects of exchange rate changes on cash and cash equivalents	145,033	112,435
Increase (decrease) in cash and cash equivalents	(247,260)	215,838
Cash and cash equivalents at the beginning of the period	2,034,026	1,792,692
Increase due to inclusion in consolidation	5,926	5,857
Cash and cash equivalents at the end of the period	1,792,692	2,014,387

## (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: 239 companies (Domestic 96, Overseas 143)

(2) Companies accounted for by the equity method

Unconsolidated subsidiaries: 1 company (Overseas 1)

Affiliates: 39 companies (Domestic 23, Overseas 16)

(3) Change in the scope of consolidation and equity method

Number of companies newly included in the scope of consolidation; 14 companies

Number of companies excluded from the scope of consolidation; 15 companies

Number of companies newly accounted for by the equity method; 5 companies

Number of companies ceased to be accounted for by the equity method; 2 companies

The increases in the number of consolidated subsidiaries and companies accounted for by the equity method were mainly due to establishment of new companies, acquisition of their shares and, in order to strengthen governance, reexamination of the scope of the consolidated companies and companies to which the equity method is applied. The decreases were mainly due to liquidation and sale of their shares.

(Additional information)

1) Adoption of the group tax sharing system

The Company and some of its domestic subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system from the first quarter ended June 30, 2022. Accordingly, corporate, local corporate income taxes, and tax-effect accounting are accounted for and disclosed in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021. Hereinafter "PITF 42"). In addition, based on Article 32 (1) of PITF 42, the effects of the change in accounting policies due to the adoption of PITF 42 are deemed negligible.

2) Exit from Russian market

The Company has decided to transfer all shares of Nissan Manufacturing RUS, Limited Liability Company to the Central Research and Development Automobile Engine Institute and exit from the Russian market in October 2022. The transfer was completed in November 2022.

The Company has recorded expenses of ¥120.0 billion related to its transfer in accounts such as "Loss on sales of shares of subsidiaries and affiliates", "Loss on transfer of receivables", "Compensation for suppliers and others", and "Other" under "Special losses" in the fiscal year 2022.



(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 decisions about resource allocation and to assess their performance.

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

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

In principle, 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 segment

Prior fiscal year (From April 1, 2021 To March 31, 2022)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2022
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	7,420,892	1,003,693	8,424,585	—	8,424,585
Inter-segment sales or transfers	54,756	28,036	82,792	(82,792)	—
Total	7,475,648	1,031,729	8,507,377	(82,792)	8,424,585
Segment profits (losses)	(155,059)	374,824	219,765	27,542	247,307

Current fiscal year (From April 1, 2022 To March 31, 2023)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2023
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	9,591,859	1,004,836	10,596,695	—	10,596,695
Inter-segment sales or transfers	94,983	18,989	113,972	(113,972)	—
Total	9,686,842	1,023,825	10,710,667	(113,972)	10,596,695
Segment profits	42,952	311,908	354,860	22,249	377,109

**[Consolidated financial statements by business segment]**

\*Regarding summarized consolidated statement of income and summarized consolidated statement of cash flows for the prior fiscal year, the Sales financing segment consists of NISSAN FINANCIAL SERVICES CO. , LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 10 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

\*Regarding summarized consolidated statement of income and summarized consolidated statement of cash flows for the current fiscal year, the Sales financing segment consists of NISSAN FINANCIAL SERVICES CO. , LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 13 other 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 statement of income by business segment**

(in millions of yen)

	Automobile & Eliminations		Sales financing		Consolidated total	
	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)
<b>Net sales</b>	7,392,856	9,572,870	1,031,729	1,023,825	8,424,585	10,596,695
Cost of sales	6,416,195	8,251,043	654,336	631,803	7,070,531	8,882,846
<b>Gross profit</b>	976,661	1,321,827	377,393	392,022	1,354,054	1,713,849
Operating income as a percentage of net sales	(1.7%)	0.7%	36.3%	30.5%	2.9%	3.6%
<b>Operating income (loss)</b>	(127,517)	65,201	374,824	311,908	247,307	377,109
Financial income / expenses, net	(35,729)	(23,771)	(263)	85	(35,992)	(23,686)
Other non-operating income and expenses, net	85,307	177,027	9,495	(15,007)	94,802	162,020
<b>Ordinary income (loss)</b>	(77,939)	218,457	384,056	296,986	306,117	515,443
<b>Income (loss) before income taxes</b>	(9,728)	95,676	393,938	306,760	384,210	402,436
<b>Net income (loss) attributable to owners of parent</b>	(46,917)	27,241	262,450	194,659	215,533	221,900

2) Summarized consolidated statement of cash flows by business segment

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)
<b>Cash flows from operating activities</b>	(182,183)	492,095	1,029,370	728,956	847,187	1,221,051
<b>Cash flows from investing activities</b>	(112,560)	(305,347)	(34,275)	(141,694)	(146,835)	(447,041)
<b>(Free Cash flow)</b>	(294,743)	186,748	995,095	587,262	700,352	774,010
<b>Cash flows from financing activities</b>	(40,069)	(104,199)	(1,052,576)	(566,408)	(1,092,645)	(670,607)
Effects of exchange rate changes on cash and cash equivalents	133,742	110,788	11,291	1,647	145,033	112,435
Increase (decrease) in cash and cash equivalents	(201,070)	193,337	(46,190)	22,501	(247,260)	215,838
Cash and cash equivalents at beginning of the period	1,896,134	1,700,990	137,892	91,702	2,034,026	1,792,692
Increase due to inclusion in consolidation	5,926	5,857	—	—	5,926	5,857
<b>Cash and cash equivalents at end of the period</b>	<b>1,700,990</b>	<b>1,900,184</b>	<b>91,702</b>	<b>114,203</b>	<b>1,792,692</b>	<b>2,014,387</b>

**[Net sales and profits or losses by region]**

Prior fiscal year (From April 1, 2021 To March 31, 2022)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,785,246	4,021,733	955,548	808,271	853,787	8,424,585	—	8,424,585
(2) Inter-segment sales	1,336,810	323,466	151,723	471,598	12,763	2,296,360	(2,296,360)	—
Total	3,122,056	4,345,199	1,107,271	1,279,869	866,550	10,720,945	(2,296,360)	8,424,585
Operating income (loss)	(229,766)	330,695	(28,395)	94,424	55,681	222,639	24,668	247,307

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

Current fiscal year (From April 1, 2022 To March 31, 2023)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,888,240	5,547,730	1,204,658	804,119	1,151,948	10,596,695	—	10,596,695
(2) Inter-segment sales	2,050,014	401,358	192,044	634,771	13,992	3,292,179	(3,292,179)	—
Total	3,938,254	5,949,088	1,396,702	1,438,890	1,165,940	13,888,874	(3,292,179)	10,596,695
Operating income (loss)	(150,269)	356,024	(4,601)	85,937	84,457	371,548	5,561	377,109

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

**【Related information】**

[Information about net sales by geographical area]

Prior fiscal year (From April 1, 2021 To March 31, 2022)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,528,568	3,897,556	3,129,321	1,058,842	962,498	977,121	8,424,585

- 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.

Current fiscal year (From April 1, 2022 To March 31, 2023)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,729,099	5,343,003	4,305,867	1,311,499	904,270	1,308,824	10,596,695

- 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.

(Amounts per share)

(Yen)

	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)
Net assets per share	1,170.17	1,310.74
Basic earnings per share	55.07	56.67
Diluted earnings per share	55.07	56.67

Notes: The basis for calculation of the basic earnings per share and the diluted earnings per share is as follows.

	FY2021 (From April 1, 2021 To March 31, 2022)	FY2022 (From April 1, 2022 To March 31, 2023)
Basic earnings per share:		
Net income attributable to owners of parent (Millions of yen)	215,533	221,900
Net income attributable to owners of parent relating to common stock (Millions of yen)	215,533	221,900
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,914,068	3,915,382
Diluted earnings per share:		
Increase in shares of common stock (Thousands of shares)	—	—
(Exercise of share subscription rights (Thousands of shares))	—	—

(Significant subsequent events)

Not applicable.

#### 4. Other Information

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Act (FIEA) (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Companies Act (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violating the FIEA. 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 Nissan-Mitsubishi B.V. ("NMBV"), which is 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 NMBV, despite the fact that no contract had been approved by the NMBV'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 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. After that, the Company has received the administrative monetary penalty payment order, dated February 27, 2020, of 2,424,895,000 yen from the Commissioner of the FSA.

On March 3, 2022, the Company received from the Tokyo District Court a guilty judgment regarding the violation of the FIEA (submission of annual securities reports containing false statements) and was ordered a penalty of 200,000,000 yen. The Company treats the judgment with utmost seriousness, and after careful consideration of the principal penalty and the findings in the judgment, the Company has decided not to appeal. Since the Company and the prosecutors did not appeal against the guilty judgment on the Company within the period determined by the Criminal Procedure Act, the judgment has been finalized.

On April 26, 2022, pursuant to the provisions of Article 185-8-6 of the FIEA, the FSA modified the penalty by deducting 200,000,000 yen, which is equal to the criminal penalty in the judgment, thereby making the total amount of the administrative penalty 2,224,895,000 yen. This administrative monetary penalty has been paid in full.

Also, in an unfair dismissal lawsuit filed in the Amsterdam District Court by Ghosn against NMBV and a subsidiary of Nissan, NMBV brought a counterclaim against Ghosn for repayment of the sums Ghosn appropriated unlawfully from NMBV. While the Amsterdam District Court dismissed Ghosn's claims and ordered Ghosn to return roughly 5 million Euros in its decision rendered on May 20, 2021, Ghosn submitted the statement of appeal to the Amsterdam Court of Appeal on August 20, 2021. As a result of a cross-appeal and defense subsequently submitted by NMBV, the Amsterdam Court of Appeal rendered a decision on August 23, 2022, dismissing the vast majority of Ghosn's claims and ordering Ghosn to return roughly 4.2 million Euros. The decision has become final as a result of the expiration of the deadline for an appeal.

One of the residences purchased for personal use as a result of misuse of company funds by Ghosn has been sold.

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 seeking damages, etc. based on the order. Also in Japan, the Company has filed lawsuits against Carlos Ghosn on February 12, 2020, and Greg Kelly, the former Representative Director of the Company, on January 19, 2022, 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 measures to recover damages, in order to account for the responsibility of the former chairman and others.

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.