Financial Information as of March 31, 2019

(The English translation of the
“Yukashoken-Houkokusho” for
the year ended March 31, 2019)

Nissan Motor Co., Ltd.

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【Document Submitted】	Securities Report (“Yukashoken-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24, Paragraph 1 of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 27, 2019
【Business Year】	120th Fiscal Year (From April 1, 2018 To March 31, 2019)
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
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Part I Information on the Company

1. Overview of the Company

1. Key financial data and trends

(1) Consolidated financial data

Fiscal year		116th	117th	118th	119th	120th
Year ended		March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Net sales	Millions of yen	11,375,207	12,189,519	11,720,041	11,951,169	11,574,247
Ordinary income	Millions of yen	694,232	862,272	864,733	750,302	546,498
Net income attributable to owners of parent	Millions of yen	457,574	523,841	663,499	746,892	319,138
Comprehensive income	Millions of yen	719,903	75,107	615,950	740,338	195,999
Net assets	Millions of yen	5,247,262	5,140,745	5,167,136	5,701,710	5,623,510
Total assets	Millions of yen	17,045,659	17,373,643	18,421,008	18,739,935	18,952,345
Net assets per share	Yen	1,152.83	1,132.61	1,242.90	1,380.36	1,355.18
Basic earnings per share	Yen	109.15	125.00	165.94	190.96	81.59
Diluted earnings per share	Yen	109.14	124.99	165.94	190.96	81.59
Net assets as a percentage of total assets	%	28.4	27.2	26.4	28.8	28.0
Rate of return on equity	%	10.0	11.0	13.8	14.6	6.0
Price earnings ratio	Times	11.21	8.33	6.47	5.78	11.13
Cash flows from operating activities	Millions of yen	692,747	927,013	1,335,473	1,071,250	1,450,888
Cash flows from investing activities	Millions of yen	(1,022,025)	(1,229,280)	(1,377,626)	(1,147,719)	(1,133,547)
Cash flows from financing activities	Millions of yen	245,896	530,606	320,610	36,810	(127,140)
Cash and cash equivalents at end of the period	Millions of yen	802,612	992,095	1,241,124	1,206,000	1,359,058
Employees ( ) represents the average number of part-time employees not included in the above numbers	Number	149,388 (20,381) 151,710 (20,748)	152,421 (19,007) 154,700 (19,343)	137,250 (19,366) 138,917 (19,716)	138,910 (19,924) 140,603 (20,290)	138,893 (19,240) 140,564 (19,619)

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.

3. *"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc."* (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other standards have been applied from the beginning of the fiscal year ended March 31, 2019. Key financial data, etc. concerning the previous fiscal year is presented as figures after the retrospective adoption of these accounting standards, etc.

(2) Non-consolidated financial data

Fiscal year		116th	117th	118th	119th	120th
Year ended		March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
Net sales	Millions of yen	3,516,415	3,493,419	3,729,335	3,750,617	3,644,483
Ordinary income	Millions of yen	540,154	388,799	551,995	197,958	271,869
Net income	Millions of yen	491,570	251,009	585,951	129,044	168,552
Common stock	Millions of yen	605,813	605,813	605,813	605,813	605,813
Number of shares issued	Thousands	4,520,715	4,494,715	4,220,715	4,220,715	4,220,715
Net assets	Millions of yen	2,472,951	2,490,984	2,600,382	2,596,797	2,505,945
Total assets	Millions of yen	4,993,336	4,961,612	5,138,385	5,073,894	5,124,037
Net assets per share	Yen	550.20	557.81	620.39	619.40	597.75
Cash dividends per share (Interim cash dividends included herein)	Yen (Yen)	33 (16.5)	42 (21)	48 (24)	53 (26.5)	57 (28.5)
Basic earnings per share	Yen	109.48	55.92	136.80	30.79	40.21
Diluted earnings per share	Yen	109.48	55.92	136.79	30.79	40.21
Net assets as a percentage of total assets	%	49.5	50.2	50.6	51.2	48.9
Rate of return on equity	%	21.3	10.1	23.0	5.0	6.7
Price earnings ratio	Times	11.18	18.62	7.85	35.86	22.59
Cash dividends as a percentage of net income	%	30.1	75.1	35.1	172.1	141.8
Employees ( ) represents the average number of part-time employees not included in the above numbers	Number	22,614 (2,704)	22,471 (3,068)	22,209 (4,398)	22,272 (5,239)	22,791 (5,349)
Total shareholder return	%	136.6	121.4	130.1	139.1	124.0
(Comparative index: Dividend-included TOPIX)	(%)	(130.7)	(116.5)	(133.7)	(154.9)	(147.1)
Highest stock price	Yen	1,303.5	1,350.0	1,220.0	1,197.0	1,157.5
Lowest stock price	Yen	856.0	923.3	893.1	996.2	835.5

Notes: 1. Net sales are presented exclusive of consumption tax.

2. *“Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.”* (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) have been applied from the beginning of the fiscal year ended March 31, 2019. Key financial data, etc. concerning the previous fiscal year are presented as figures after the retrospective adoption of these accounting standards, etc.

3. Highest stock price and lowest stock price were those recorded on the First Section of the Tokyo Stock Exchange.

2. History

December 1933	Jidosha Seizo Co., Ltd., predecessor of Nissan Motor Co., Ltd. was established with invested capital of ¥10 million in Takaracho, Kanagawa-ku, Yokohama-shi, through the joint capital investment of Nippon Sangyo K.K. and Tobata Imono K.K.
May 1934	Construction of the Yokohama Plant was completed.
June 1934	The Company changed its name to Nissan Motor Co., Ltd.
April 1935	First vehicle was manufactured off the production line through the integrated production at the Yokohama Plant.
August 1943	Construction of the Fuji Plant (formerly the Yoshiwara Plant) was completed.
September 1944	The head office was moved to Nihonbashi, Tokyo, and the Company changed its name to Nissan Heavy Industries, Ltd.
January 1946	The headquarters moved to Takaracho, Kanagawa-ku, Yokohama-shi.
August 1949	The Company changed its name to Nissan Motor Co., Ltd.
January 1951	The Company’s stock was listed on the Tokyo Stock Exchange.
May 1951	The Company acquired an interest in Shin-Nikkoku Kogyo Co., Ltd. (currently Nissan Shatai Co., Ltd.; a consolidated subsidiary).
May 1958	Exportation of passenger cars to the United States of America was commenced.
September 1960	Nissan Motor Corporation in U.S.A. was established.
September 1961	Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), a joint venture with Marubeni-Iida Co., Ltd. (currently Marubeni Corporation) was established in Mexico City, Mexico.
March 1962	Construction of the Oppama Plant was completed.
March 1965	The Company acquired an interest in Aichi Machine Industry Co., Ltd. (currently a consolidated subsidiary).
May 1965	Construction of the Zama Plant was completed.
August 1966	The Company merged Prince Motor Company and, accordingly, the Murayama Plant and others became a part of the Company.
July 1967	Construction of the Honmoku Wharf (a base for exporting) was completed.
January 1968	The headquarters moved to the Company’s new building in the Ginza area of Tokyo.
March 1971	Construction of the Tochigi Plant was completed.
October 1973	Construction of the Sagamihara Parts Center was completed.
June 1977	Construction of the Kyushu Plant was completed.
January 1980	The Company acquired an interest in Motor Iberica, S.A. (currently Nissan Motor Iberica, S.A.; a consolidated subsidiary) in Spain.
July 1980	Nissan Motor Manufacturing Corporation U.S.A. was established.
November 1981	The Nissan Technical Center was completed.
November 1981	Nissan Motor Acceptance Corporation (currently a consolidated subsidiary) was established.
November 1982	Construction of the Aguascalientes plant of Nissan Mexicana, S.A. de C.V. was completed.
February 1984	Nissan Motor Manufacturing (UK) Ltd. (currently a consolidated subsidiary) was established.
November 1984	Construction of the Oppama Wharf was completed.
April 1989	Nissan Europe N. V. was established in the Netherlands.
January 1990	Former Nissan North America, Inc. was established in the United States of America.
May 1991	Construction of Kanda Wharf was completed.
January 1994	Construction of the Iwaki Plant was completed.
April 1994	The business in the North America region was reorganized and Nissan North America, Inc. (currently a consolidated subsidiary) was newly established.
October 1994	The Company established Nissan Middle East F.Z.E. (currently a consolidated subsidiary), a regional headquarter in Middle East.
March 1995	Production of vehicles was discontinued at the Zama Plant.

December 1998	Nissan North America, Inc. merged with Nissan Motor Corporation in U.S.A.
March 1999	The Company and Renault (currently an affiliate accounted for by the equity method) signed an agreement for a global alliance in automobile business, including equity participation.
July 1999	The Company sold its business related to the Fuji Plant to TransTechnology Ltd., which merged with JATCO CORPORATION into JATCO TransTechnology Ltd. (currently JATCO Ltd, a consolidated subsidiary).
April 2000	Nissan North America, Inc. merged with Nissan Motor Manufacturing Corporation U.S.A.
March 2001	Production of vehicles was discontinued at the Murayama Plant.
March 2002	Renault increased its stake in the Company to 44.4%.
March 2002	The Company acquired an interest in Renault through Nissan Finance Co., Ltd. (currently a consolidated subsidiary).
March 2002	The Company established Renault-Nissan B.V., a management organization with Renault.
August 2002	Nissan Europe S.A.S. (currently Nissan Automotive Europe; a consolidated subsidiary) was established to reorganize business in Europe.
March 2003	The Company liquidated Nissan Europe N.V.
May 2003	Nissan North America, Inc. established a new plant in Canton, Mississippi.
July 2003	Dongfeng Motor Co., Ltd. (currently an affiliate accounted for by the equity method) commenced its operations in China.
April 2004	The Company made Siam Nissan Automobile (currently Nissan Motor (Thailand) Co., Ltd., a consolidated subsidiary) into a subsidiary through underwriting of third party allocation of new shares.
May 2004	A plant of Dongfeng Motor Co., Ltd., was completed in Huadu, China.
January 2005	The Company made Calsonic Kansei Corporation into a subsidiary through underwriting of third party allocation of new shares.
December 2007	Renault Nissan Automotive India Private Limited (currently a consolidated subsidiary) was established.
January 2008	Nissan International SA (currently a consolidated subsidiary) began managing sales and manufacturing operations in Europe.
August 2009	The Global Headquarters moved to Yokohama.
April 2010	The Company entered into an agreement with Renault and Daimler AG on a strategic cooperative relationship including equity participation.
July 2011	The Company established Nissan Motor Asia Pacific Co., Ltd. (currently a consolidated subsidiary), a regional headquarter in ASEAN.
August 2011	Nissan Motor Kyushu Co., Ltd. (currently a consolidated subsidiary) was incorporated from the Kyushu Plant of the Company as its parent organization.
November 2013	Construction of the second plant of Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), was completed in Aguascalientes, Mexico.
April 2014	Construction of a plant of Nissan Do Brasil Automóveis Ltda. (currently a consolidated subsidiary) was completed in Resende, Brazil.
May 2014	Construction of the second plant of PT. Nissan Motor Indonesia (currently a consolidated subsidiary) was completed in Purwakarta, Indonesia.
May 2016	The Company entered into an agreement with MITSUBISHI MOTORS CORPORATION on a strategic cooperative relationship including equity participation.
October 2016	The Company acquired an interest in MITSUBISHI MOTORS CORPORATION (currently an affiliate accounted for by the equity method) through underwriting of third-party allocation of new shares.
March 2017	The tender offer for the shares of Calsonic Kansei Corporation came into effect and all Calsonic Kansei Corporation's shares held by the Company were sold to CK Holdings Co., Ltd.
June 2017	The Company established Nissan-Mitsubishi B.V., a joint venture company with MITSUBISHI MOTORS CORPORATION.
July 2018	Construction of the Santa Isabel Plant of Nissan Argentina S.A. (currently a consolidated subsidiary) was completed.

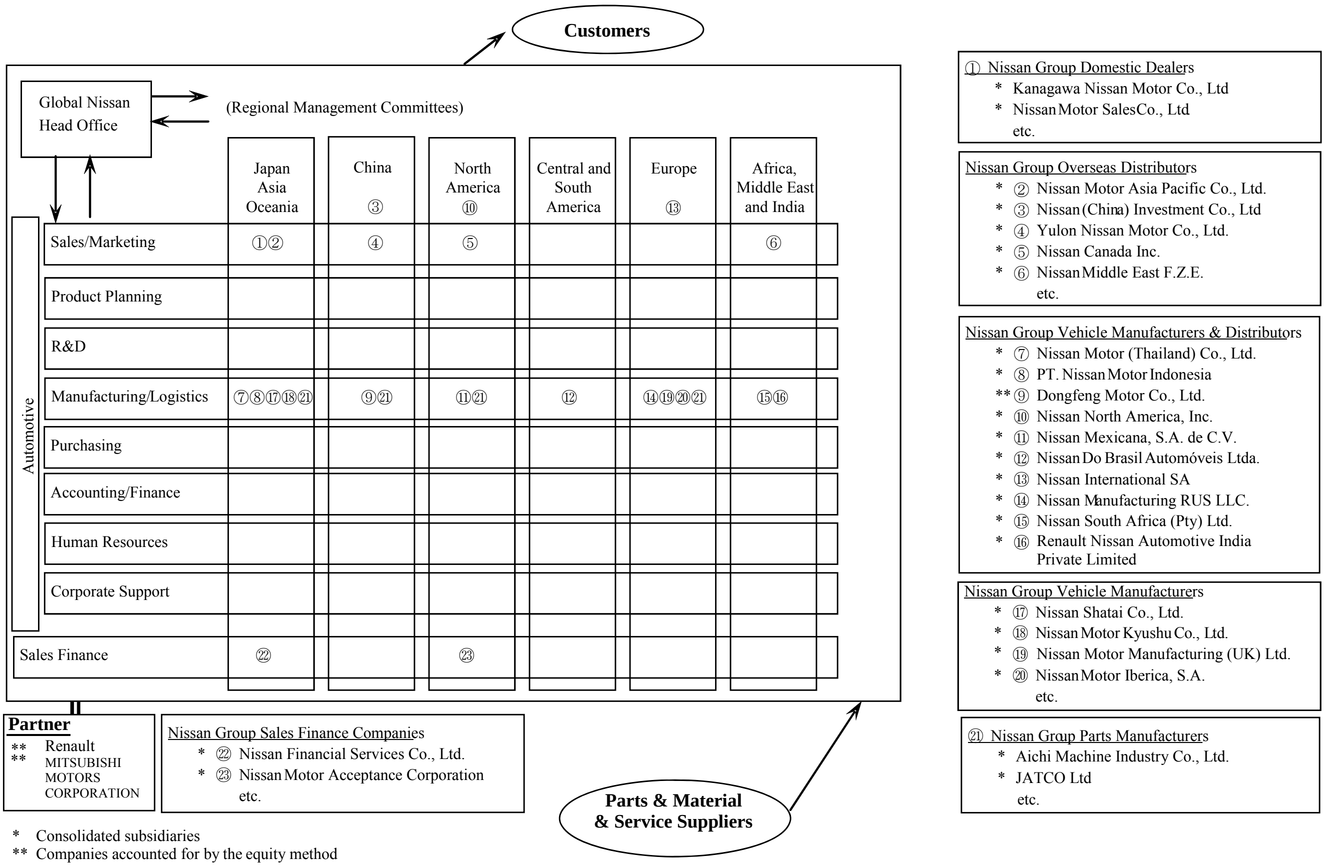
3. Description of business

The Nissan Group (the “Group” or “Nissan”) consists of the Company, subsidiaries, affiliates, and other associated companies. Its main businesses include manufacturing and sales of vehicles and automotive parts. In addition, the Group provides sales finance services to support sales activities of the above businesses.

The Group has established the Global Nissan Head Office to function as its global headquarters. It decides group resource allocation to the above respective businesses and manages their business operations group-wide. Also it operates the Global Nissan Group through six Regional Management Committees and handles cross-regional matters such as research & development, purchasing, manufacturing, and so forth.

The Group’s structure is summarized as follows:

Global Nissan Group



* Consolidated subsidiaries
** Companies accounted for by the equity method

- In addition to the above companies, *Nissan Trading Co., Ltd., *Nissan Network Holdings Co., Ltd. and others are included in the Group.
- The Group’s consolidated subsidiary listed on the domestic stock exchanges among above mentioned is as follows:
  Nissan Shatai Co., Ltd. – Tokyo

4. Information on subsidiaries and affiliates

(1) Consolidated subsidiaries

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number	Millions of yen		
＃☆ Nissan Shatai Co., Ltd.	Hiratsuka-shi, Kanagawa	7,905	Manufacturing and selling automobiles and parts	50.01	(0.01)	3	—	—	None	Manufacturing products on behalf of NML	Mutually leasing land and buildings with NML
Nissan Motor Kyushu Co., Ltd.	Kanda-machi, Miyako-gun, Fukuoka	10	Entrusted manufacturing automobiles and parts	100.00	—	1	2	2	None	Manufacturing products on behalf of NML	Leasing of land, buildings and production facilities etc. owned by NML
Aichi Machine Industry Co., Ltd.	Atsuta-ku, Nagoya-shi	8,518	Manufacturing and selling automotive parts	100.00	—	2	1	—	None	Selling automotive parts to NML	None
JATCO Ltd	Fuji-shi, Shizuoka	29,935	Manufacturing and selling automotive parts	74.96	—	5	1	—	None	Selling automotive parts to NML	Leasing of land, buildings and production facilities owned by NML
Nissan Kohki Co., Ltd.	Samukawa-machi, Koza-gun, Kanagawa	2,020	Manufacturing and selling automotive parts	97.73	—	8	—	—	None	Selling automotive parts to NML	Leasing of production facilities owned by NML
Nissan Group Finance Co., Ltd.	Nishi-ku, Yokohama-shi	90	Finance to group companies	100.00	(100.00)	—	5	1	None	Extending loans to NML's domestic subsidiaries	Leasing of buildings owned by NML
Nissan Trading Co., Ltd.	Totsuka-ku, Yokohama-shi	320	Importing, exporting and selling automobiles, parts and other	100.00	—	4	—	—	None	Importing automotive parts on behalf of NML	None
＃ Nissan Financial Services Co., Ltd.	Mihama-ku, Chiba-shi	16,388	Financing retail and wholesale of automobiles and automobile leases	100.00	—	2	2	2	None	Providing loans and other for sales finance services for vehicles manufactured by the Company	Leasing company vehicles to NML
Autech Japan, Inc.	Chigasaki-shi, Kanagawa	480	Developing, manufacturing and selling limited edition automobiles	100.00	—	3	3	—	None	Purchasing products manufactured by NML	Leasing of land and buildings owned by NML
Nissan Network Holdings Co., Ltd.	Nishi-ku, Yokohama-shi	90	Business management of the domestic sales network, as well as selling, purchasing, leasing and entrusted management of real estate	100.00	(7.68)	2	4	—	None	Leasing and entrusted management of real estate	Leasing land and buildings for employees' welfare facilities to NML

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number	Millions of yen		
Nissan Finance Co., Ltd.	Nishi-ku, Yokohama-shi	2,491	Finance to group companies	100.00	—	—	5	1	370,422 funded as working capital	Lending for the group loan provided for domestic subsidiaries	None
Kanagawa Nissan Motor Co., Ltd	Nishi-ku, Yokohama-shi	90	Selling automobiles and parts	100.00	(100.00)	3	1	1	None	Purchasing products manufactured by NML	None
Nissan Motor Sales Co., Ltd.	Minato-ku, Tokyo	480	Selling automobiles and parts	100.00	—	3	—	1	None	Purchasing products manufactured by NML	None
Nissan Parts Chuo Sales Co., Ltd.	Ota-ku, Tokyo	545	Selling parts for automobile repairs	84.05	(37.81)	6	1	1	None	Purchasing parts for repairs from NML	None
Nissan Car Rental Solutions Co., Ltd.	Nishi-ku, Yokohama-shi	90	Car rentals	100.00	(100.00)	1	4	1	None	Purchasing automobiles for car rental business from NML	None
Other domestic consolidated subsidiaries		54 companies									
Total domestic consolidated subsidiaries		69 companies									

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
☆ Nissan Automotive Europe S.A.S.	Montigny-le-Bretonneux, Yvelines, France	Millions of Euro 1,626	Holding company for European subsidiaries and pan-European operational support	100.00	(48.00)	—	—	—	None	None	None
☆ Nissan International Holdings B.V.	Amsterdam, The Netherlands	Millions of Euro 1,932	Holding company for subsidiaries	100.00	—	—	2	—	351,431 funded as working capital	None	None
Nissan West Europe S.A.S.	Voisins-le-Bretonneux, Yvelines, France	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Motor (GB) Ltd.	Rickmansworth, Hertfordshire, United Kingdom	Millions of £ stg. 136	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan Holding (UK) Ltd.	Sunderland, Tyne & Wear, United Kingdom	Millions of Euro 871	Holding company for British subsidiaries	100.00	(100.00)	—	—	—	None	None	None
Nissan Italia S.R.L.	Rome, Italy	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Motor Manufacturing (UK) Ltd.	Sunderland, Tyne & Wear, United Kingdom	Millions of £ stg. 250	Manufacturing and selling automobiles and parts, as well as vehicle development, technical survey, evaluation and certification in Europe	100.00	(100.00)	—	—	2	None	Purchasing products manufactured by NML	None
Nissan International SA	Rolle, Vaud, Switzerland	Millions of Euro 37	Managing sales and manufacturing operations in Europe	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan Motor Iberica, S.A.	Barcelona, Spain	Millions of Euro 726	Manufacturing and selling automobiles and parts	99.80	(93.25)	—	—	1	None	Purchasing products manufactured by NML	None
Nissan Iberia, SA	Barcelona, Spain	Millions of Euro 12	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Manufacturing RUS LLC.	Sankt-Petersburg, Russia	Millions of Rubles 31,300	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆◎ Nissan North America, Inc.	Franklin, Tennessee, U.S.A.	Millions of US$ 1,792	Managing subsidiaries in North America and manufacturing and selling automobiles and parts	100.00	—	—	—	1	None	Purchasing products manufactured by NML	None
Nissan Motor Acceptance Corporation	Franklin, Tennessee, U.S.A.	Millions of US$ 500	Financing retail and wholesale of automobiles and automobile leases	100.00	(100.00)	—	1	—	78,050 funded as working capital	Providing loans and other for sales finance services for vehicles manufactured by the Company	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
Nissan Global Reinsurance Ltd.	Hamilton, Bermuda	Thousands of US$ 120	Casualty insurance	100.00	(100.00)	—	3	—	None	Providing casualty insurance	None
Nissan Canada Inc.	Mississauga, Ontario, Canada	Millions of Can$ 81	Selling automobiles and parts, financing retail and wholesale of automobiles and automobile leases	100.00	(9.09)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan Mexicana, S.A. de C.V.	Mexico City, Mexico	Millions of MX Peso 17,049	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	2	1	33,297 funded as capital expenditure	Purchasing products manufactured by NML	None
☆ Nissan Do Brasil Automóveis Ltda.	Rio de Janeiro, Brazil	Millions of BRL 6,816	Manufacturing and selling automobiles and parts	100.00	(99.00)	—	—	4	None	Purchasing products manufactured by NML	None
Nissan Motor Co. (Australia) Pty. Ltd.	Dandenong, Victoria, Australia	Millions of A$ 290	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Motor Egypt S.A.E.	6th of October City, Egypt	Millions of EG£ (L.E.) 2,720	Manufacturing and selling automobiles and parts	100.00	(0.00)	—	—	2	None	Purchasing products manufactured by NML	None
Nissan South Africa (Pty) Ltd.	Rosslyn, South Africa	Millions of Rand 3	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan New Zealand Ltd.	Auckland, New Zealand	Millions of NZ$ 51	Selling automobiles and parts	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Middle East F.Z.E.	Dubai, UAE	Millions of Dh. 2	Managing operation in Middle East and selling automobiles and parts	100.00	—	—	1	—	9,326 funded as working capital	Purchasing products manufactured by NML	None
Nissan Motor India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 13,800	Selling automobiles and parts	100.00	(100.00)	—	1	—	None	Purchasing products manufactured by NML	None
☆ Renault Nissan Automotive India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 57,732	Manufacturing and selling automobiles and parts	70.00	(45.00)	—	—	—	None	Purchasing products manufactured by NML	None
PT. Nissan Motor Indonesia	Kota Bukit Indah, Purwakarta, Indonesia	Millions of IDR 2,592,390	Manufacturing and selling automobiles and parts	75.00	—	—	—	2	27,913 funded as capital expenditure and working capital	Purchasing products manufactured by NML	None
Nissan Motor (Thailand) Co., Ltd.	Bangsaothong, Samutpraken, Thailand	Millions of THB 1,944	Manufacturing and selling automobiles and parts	75.00	—	—	—	2	None	Purchasing products manufactured by NML and selling finished cars to NML	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
※ Yulon Nissan Motor Co., Ltd.	Miaoli, Republic of China	Millions of TWD 3,000	Selling automobiles and parts	40.00	—	—	2	2	None	Purchasing products manufactured by NML	None
☆ Nissan (China) Investment Co., Ltd.	Beijing, China	Millions of CNY 8,476	Managing business in China and selling automobiles	100.00	—	—	3	—	None	Purchasing products manufactured by NML	None
Nissan Motor Asia Pacific Co., Ltd.	Bangsaothong, Samutprakarn, Thailand	Millions of THB 225	Management and operational support in ASEAN and selling automobiles and parts	100.00	—	—	1	3	None	Purchasing products manufactured by NML	None
Nissan Chile SpA	Santiago, Chile	Millions of CLP 24,269	Selling automobiles and parts	100.00	—	—	1	—	2,753 funded as working capital	Purchasing products manufactured by NML	None
Nissan Otomotiv Anonim Sirketi	Istanbul, Turkey	Millions of TRY 106	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Argentina S.A.	Buenos Aires, Argentine	Millions of ARS 20,003	Manufacturing and selling automobiles and parts	100.00	(99.99)	—	—	—	None	Purchasing products manufactured by NML	None
Other foreign consolidated subsidiaries		91 companies									
Total foreign consolidated subsidiaries		123 companies									
Total consolidated subsidiaries		192 companies									

(2) Affiliates accounted for by the equity method

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
# Nissan Tokyo Sales Holdings Co., Ltd.	Shinagawa-ku, Tokyo	Millions of yen 13,752	Selling automobiles and parts	34.03	(34.03)	2	1	—	None	Purchasing products manufactured by NML	None
# (Note 5) Renault	Boulogne, Billancourt, France	Millions of Euro 1,127	Manufacturing and selling automobiles and parts	15.25	(15.25)	—	1	—	None	Mutual production and joint development of vehicles and parts	None
Dongfeng Motor Co., Ltd.	Wuhan, Hubei, China	Millions of CNY 16,700	Manufacturing and selling automobiles and parts	50.00	(50.00)	—	3	—	None	Purchasing products manufactured by NML	None
# MITSUBISHI MOTORS CORPORATION	Minato-ku, Tokyo	Millions of yen 284,382	Manufacturing and selling automobiles and parts	34.04	—	—	3	—	None	Mutual production and joint development of vehicles and parts	Mutually leasing land, buildings and production facilities with NML
Other affiliates accounted for by the equity method	28 companies										
Total affiliates accounted for by the equity method	32 companies										

Notes: 1. Companies marked ☆ are specified subsidiaries.

2. Companies marked # submit their securities registration statements or securities reports.

3. Net sales (excluding intercompany sales within the Group) of the company marked ◎ (Nissan North America, Inc.) exceeded 10% of consolidated net sales for the year ended March 31, 2019. Therefore, the key financial data for Nissan North America, which consolidates the financial data for its 19 subsidiaries and affiliates, are shown below.

(1) Net sales	¥4,976,641 million
(2) Ordinary income	¥(49,209) million
(3) Net income	¥(44,221) million
(4) Net assets	¥1,088,237 million
(5) Total assets	¥7,904,518 million

4. Although the percentage of their voting rights held directly and indirectly by NML is equal to, or less than, 50%, the companies marked ※ have been consolidated because they are substantially controlled by NML.

5. Although the exercise of voting rights of the shares in Renault directly and indirectly held by the Company is restricted in accordance with the Commercial Code of France, the Company has accounted for its investment in Renault by the equity method as the Company exercises significant influence over Renault's financial and operating policies through its participation in a jointly and equally owned management company (Renault-Nissan B.V.) and through its Board members (comprising 50% of Renault-Nissan B.V.'s Board of Directors). This joint venture company is treated as an affiliate because it has the power to decide business issues of importance to both Renault and Nissan based on the Articles of Incorporation of each company or on an agreement on business administration. And also Renault is treated as other associated company because it holds 43.7% of the voting rights of the Company.

5. Employees

(1) Consolidated companies

(As of March 31, 2019)

Geographical segment	Number of employees	
Japan	58,966	(15,797)
North America	36,594	(1,328)
(the United States of America included therein)	18,155	(12)
Europe	16,119	(1,341)
Asia	20,872	(621)
Other overseas countries	6,342	(153)
Total	138,893	(19,240)

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2019, and are not included in the number of full-time employees.

2. The number of employees engaged in sales finance business was 3,806 (121).

(2) The Company

(As of March 31, 2019)

Number of employees		Average age (Years)	Average years of service (Years)	Average annual salary (Yen)
22,791	(5,349)	41.8	18.4	8,154,953

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2019, and are not included in the number of full-time employees.

2. The average annual salary for employees includes bonuses and overtime pay.

3. All the figures above are for the automobile business.

(3) Trade union

Most of the Company's employees are affiliated with the NISSAN MOTOR WORKERS' UNION, for which the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS, and the Japanese Trade Union Confederation (RENGO) through the CONFEDERATION OF JAPAN AUTOMOBILE WORKERS' UNIONS. The labor-management relations of the Company are stable, and the number of union members was 25,789 including those of Nissan Motor Kyushu Co., Ltd. as of March 31, 2019.
At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS.
At foreign Group companies, employees' rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country.

2. Business Overview

1. Management policy, management environment, and issues to be tackled, etc.

(1) Management policy and business strategies

Guided by the vision of Enriching people's lives, the Group aims to provide unique and innovative products and services that deliver superior measurable values to all stakeholders under the Alliance.

The Group announced on November 8, 2017, the new midterm plan "Nissan M.O.V.E. to 2022" designed to guide the company toward profitable growth over the next six years, and to prepare for further growth beyond the plan as the evolution continues. The new plan expresses that the Group will keep on moving and evolving toward the future, and it stands for the following drivers:
• Mobility
• Operational Excellence
• Value to Customers
• Electrification

The mission under "Nissan M.O.V.E. to 2022" is to be built on the strong business foundations of "Nissan Power 88", and leverage the benefits of our Alliance with Renault and MITSUBISHI MOTORS CORPORATION, in order to;
1. Achieve sustainable growth, while delivering healthy profitability and strong free cash flow
2. Lead the technology and business evolution in the automotive industry, backed by our technology DNA

The Company announced the business transformation plan on May 14, 2019, which contains the key pillars, US business recovery, operational and investment efficiency improvement and steady growth through new products, advanced technology and 'Nissan Intelligent Mobility' as a recovery plan for issues the Company is facing.

In March 2019, the Company, Renault and MITSUBISHI MOTORS CORPORATION announced the intention to create a new Alliance operating board (hereinafter "the alliance board"). The operating decisions taken by the alliance board will be consensus-based, furthering the Alliance's "win-win" approach. The alliance board will ask for the creation of specific projects to make recommendations for and drive the execution of new ways to create incremental value of the three auto companies. The creation of the alliance board is designed to help the Company, Renault and MITSUBISHI MOTORS CORPORATION become what they can be together – the top organization in the rapidly changing and highly competitive global auto market.

The Group will fulfill its mission by engaging in "Nissan M.O.V.E. to 2022" with in mind of the technology evolution coming in the next 10 to 15 years, as well as the significant changes in the market and evolving customer expectations.

(2) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the fiscal year ended March 31, 2019, are as follows.
Since the discovery last year of nonconformities in the final vehicle inspection process (kanken) at its plants in Japan, Nissan Motor Co., Ltd. has been proactively carrying out comprehensive compliance checks of various parts of its operations. As part of a check of exhaust emissions and fuel economy measurement tests within the kanken, Nissan discovered that misconduct was carried out. Nissan complied and submitted to Ministry of Land, Infrastructure, Transport and Tourism a report that comprises Nissan's understanding of the facts, along with its countermeasures.
On December 19, 2018, the Company solemnly accepted the Ministry of Land, Infrastructure, Transport and Tourism's process improvement directives related to the Company's nonconformities in the final vehicle inspection process (kanken) at plants in Japan, and the Company reported the status of process improvement on May 17, 2019. Although discovered internally, the Company finds it most regretful that nonconformities in the kanken had been continued. As a companywide exercise, the Company remains committed to safety, and will continue to carry out comprehensive checks of frameworks, organizations and processes related to regulatory compliance.

The former Representative Director of the Company was indicted on suspicion of violation of the Financial Instruments and Exchange Law (charged with submitting false securities reports) and a former Representative Director, Chairman was additionally indicted on suspicion of violation of the Corporate Law (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violation of 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. Nissan's board of directors has 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, and continues to improve governance, reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.

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

Amount by fiscal year

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

As a result of our investigation, we have discovered a transaction between Nissan's consolidated subsidiaries and DEXTAR WORLD TRADE LIMITED, L.L.C., which is managed by the relatives of former Director Carlos Ghosn. The details of the transaction are as follows:

(Millions of yen)

	Revenue	Ending Balances of Notes and Accounts Receivables
FY2016	294	63
FY2017	302	92
FY2018	563	129

2. Business and other risks

With regard to disclosure in the Business Overview, Financial Information and other parts of this Securities Report, the significant items which may affect the decisions of our investors can be grouped under the following risk factors.
Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as of June 27, 2019.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

The demand for products and services provided by the Group is strongly affected by the economic conditions in each country or market in which they are offered for sale. Although the Group strives to predict change in economic climate and demands precisely and to take necessary measures in the major markets like as Japan, China, the United States of America, Mexico, Europe, Asia, Central and South America, Middle East and Africa in case of greater-than-anticipated downturn such as global economic crisis, it could have a significant effect on the Group's financial position and business performance.

(2) Situation regarding resources and energy

The demand for products and services provided by the Group largely varies depending on rapid changes in the situation surrounding various resources and energy as represented by the hike of crude oil prices. If gasoline prices continue to rise, consumer demand is forecast to shift to products with better fuel consumption and overall demand could decline in case of further hikes in gasoline prices. Any greater-than-anticipated fluctuations in such resources or the energy situation could have an effect on the Group's financial position and business performance due to deterioration in operating performance and/or opportunity loss.

2. Rapid changes and moves in the automotive market

The automobile industry is currently experiencing intensified market competition worldwide. To win given such intense competition, the Group maximizes its efforts in all aspects of technology development, product development and marketing strategy to timely provide products and services that address customer needs. Nevertheless, the failure to timely provide products and services that address customer needs or improper responses to environmental and/or market changes could have a significant effect on the Group's financial position and business performance.
Demand might decrease or change due to the progress of negative factors such as a decline in population, the aging society and a dwindling birthrate in a mature market, whereas demand might considerably increase in emerging markets. These changes or trends might generate favorable results for the Group with a rise in business opportunities but could result in an adverse effect on the Group's financial position and business performance due to an excessive dependency on certain products and/or regions unless appropriate forward-looking steps are undertaken.
Furthermore, in recent years, autonomous driving (AD) technology has been onboard several vehicle models and some products are currently being marketed. Should this AD technology be proven safe and evolve as a new product that will create added value, it will bring about strong momentum for future growth toward the next-generation automotive society. To this end, it is indispensable to cooperate with regulatory agencies in each country, and for automobile manufacturers and the companies with cutting-edge technologies to collaborate in formulating new rules for driving on public roads. On the other hand, countries and vehicle manufacturers are facing fierce competition in the development of new technology, which could have a significant effect on the Group's business performance and financial position due to possible increases in development expenses and vehicle costs.
In the future, the conventional business model of "automobile manufacturers produce and sell vehicles as hardware, whereas customers purchase, own and use such vehicles" is expected to change substantially with the propagation of several promising business categories such as car sharing, ride sharing and robot taxi service.
In addition, it is expected that the core added value of cars, that is, the performance of vehicles as hardware, might shift to software-based value such as "what kind of experience can cars provide to customers including services related to cars." As a result, the appeal of the software might become the key to differentiation, thereby making the know-how and expertise of the Group in the development and mass-production of vehicles, which have been our strengths, less significant source of added value. Looking ahead to such expected innovations, we are seeing new competitors from outside the car-making industry.
In response to such recent moves, the Group is taking diverse measures such as proactive investments in development; recruiting and fostering a variety of human resources; strategic collaboration with companies in other business sectors; and the promotion of open innovations with startup enterprises. These initiatives aim to promote hardware evolution (electrification, intelligent car, advancing autonomous driving and enhancing connectivity functions) and software upgrades (added value by upgrading connected functions).
Nevertheless, the failure to sufficiently address changes due to innovations in a speed and scope beyond our forecasts could lead to a weakened position relative to new competitors and the loss of a competitive edge for our products.

3. Risks related to the financial market

(1) Fluctuations in foreign currency exchange rates

The Group's finished cars, are produced in 22 countries and regions, and are sold in more than 170 countries. The Group's procurement activities for raw materials, parts/components and services are conducted in many countries.

As the consolidated financial statements of the Group are calculated and presented in Japanese yen, the appreciation of the yen against other currencies adversely affects Group's financial business performance, in general. In contrast, the depreciation of the yen against other currencies favorably affects Group's financial business performance. Any sharp appreciation of the currencies of countries where the Group manufactures vehicles could lead to increases in production costs that would adversely affect the Group's competitiveness.

(2) Hedging of currency, interest rate and commodity price risks

The rise in market interest rates and/or in the cost of capital procurement due to the Group's decreased rating by credit rating agencies could have an effect on the Group's financial position and business performance.

The Group may utilize derivative transactions for the purpose of hedging its exposure to risks such as fluctuations in the foreign exchange rates of its receivables and payables denominated in foreign currencies, the interest rates of floating interest-bearing debt funded at variable interest rates and fluctuations in commodity prices. Although the Group can hedge against these risks by using derivatives transactions, the Group might miss potential gains that could result from seizing the market opportunities to profit from such fluctuation in exchange rates, interest rates and commodity prices.

(3) Marketable securities price risk

The Group may hold marketable securities for certain reasons including strategic holding, relationship management and cash management, and there is a price fluctuation risk for such securities. Therefore, price fluctuation in the stock and bond markets could affect the Group's business performance and financial position.

(4) Liquidity risk

The Group endeavors to raise funds from various sources such as an accumulation of internal cash generation, loan commitment agreements with financial institutions and diversification of funding sources and geographies for fund-raising by formulating relevant internal rules so that the Group can ensure an appropriate level of liquidity even if environmental changes beyond normal expectation occur in the financial market. However, market environment could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having an adverse effect on the Group's financial position and business performance.

(5) Sales financing business risk

Sales financing is an integral part of the Group's business. Global Sales Financing Business Unit provides strong support to its automotive sales, while maintaining high profitability and a sound and stable financial condition through strict risk management policies. However, the Sales Financing companies inevitably have high exposure to interest-rate risk, residual value risk and credit risk. Accordingly, these risk factors could entail a greater-than-anticipated level of risk, which could adversely affect the Group's financial position and business performance.

(6) Counterparty credit risk

The Group does business with a variety of local counterparties including sales companies, financial institutions and suppliers in many regions around the world. The Group is exposed to the risk that such counterparties could default on their obligations. The Group manages to mitigate its own counterparty credit risk by conducting a comprehensive ongoing assessment of these counterparties based on their financial information. Nonetheless, should unprecedented conditions such as bankruptcies of sales companies, financial institutions and suppliers be triggered by a global economic crisis that could adversely affect the Group's financial position and business performance.

(7) Employee retirement benefit expenses and obligations

The amounts of retirement benefit obligation and related expenses of the Group, which are provided for retirement benefits of employees of the Group companies, are calculated using various actuarial assumptions including the discount rate applied, the long-term expected rates of return on plan assets and other factors. When the Group's actual results differ from those assumptions or when any of the assumptions change, the resulting effects will be accumulated and recognized regularly over future periods; therefore, the cumulative effect could adversely affect the recognition of expenses and liabilities recorded in future periods.

4. Risks related to business strategies and maintenance of competitive edge

(1) Risks involved in international activities and overseas expansion

The Group's products finished cars are produced in 22 countries and regions, and are sold in more than 170 countries. It is possible that the Group's global manufacturing and marketing activities will be extended in the future to other countries and regions mainly in the emerging nations. The Group forecasts and sufficiently evaluates a wide variety of risks inherent in conducting business in overseas markets including the factors noted below. Nevertheless, each of these factors could entail unpredictable risks or a greater-than-anticipated level of risk at any place in our overseas presence without achieving the planned rate of capacity utilization and/or profitability, which could have effects on the Group's financial position and business performance.

- Unfavorable political or economic factors
- Legal or regulatory changes
- Changes in corporate income tax, customs duties, other tax system, and/or the impact of internal tax issues, such as transfer pricing, etc.
- Labor disputes including strikes
- Difficulties in recruiting and retaining talented human resources
- Social turmoil due to terrorism, war, coup, demonstrations, rebellion, large-scale natural disaster, epidemic disease or other destabilizing factors

(2) Research and development

The Group's technology must be useful, pragmatic and user friendly. To this end, the Group anticipates the nature and scope of the market demand and then prioritizes and invests in the development of new technologies. However, any sudden and greater-than-anticipated changes in its business environment or in customer preferences or a relative decline in its competitive edge in development could impact negatively on customer acceptance with these new technologies, which could have a significant effect on the Group's business performance.

(3) Collaboration with other corporations

The Group may collaborate with other corporations that have excellent technologies to effectively acquire higher competitiveness within the short term. However, the anticipated results might not be achieved depending on the market environment of the business field concerned and/or changes in technological trends and the progress of collaborative activities with allied partners, which could adversely affect the Group's business performance.

(4) Quality of products and services

To provide products and services of superior quality, the Group endeavors to ensure and enhance maximum quality through detailed management systems from the standpoint of research and development, manufacturing and services. However, the adoption of new technology to propose higher added value might cause unexpected quality-related issues such as product liability and recalls for products after sales of a product start even if it has been repeatedly tested prior to its launch with maximum care. If the AD technology is developed and its use becomes quickly widespread in the future, the responsibility of automobile manufacturers might be brought into question in connection with the decline in drivers engaged in driving. Although the Group has insurance policies to assure the source of funding product liability claims to a certain extent, this does not necessarily mean that all damages are fully covered. If the recalls that the Group has implemented for the benefit of customers' safety become significant in volume and amount, the Group would not only incur significant additional expenses but also experience damage to its brand image, which could adversely affect its financial position and business performance.

(5) Risks associated with climate change

The Paris Agreement adopted in 2015 declared that global CO_2 emissions that affect climate change shall be scaled back as soon as possible toward the target of net zero emissions of human-driven CO_2 emissions by the second half of the 21st century.

The Group's ultimate goal is to hand over abundant natural assets to the next generation by reducing the dependence on the environment and the environmental impact, both of which derive from its business operations and/or its vehicles, to a level controllable or absorbable by nature. To this end, the Group is committed, hand-in-hand with suppliers, to reducing CO_2 emissions at every stage of its value chain from the procurement of raw materials for vehicles to the transportation of vehicles and when vehicles are driven. The Nissan Green Program 2022, the medium-term environmental action plan, stipulated global Key Performance Indicators (KPIs) and target values at the respective stages, and the Group has publicly announced its annual results.

In particular, CO_2 emissions when vehicles are used, accounting for more than 80% of the total, are significantly higher compared to the emissions derived from ordinary corporate activities, and therefore might trigger risks such as climate change-related regulations in the near future (CO_2 emissions for vehicles in use were 190,261 kton-CO_2 of the 216,351 kton-CO_2 in emissions for the entire value chain, both actual performance for fiscal year 2017).

Consequently, according to the 2ºC Scenario of the Intergovernmental Panel on Climate Change (IPCC), the Group declared a long-term vision of reducing CO_2 emissions discharged from new cars by 90% by 2050 compared to emissions in 2000 and achieved in 2010 for the first time in the world mass-production of EVs that address transition risks of climate change. Concerning more stringent regulations on fuel consumption and CO_2 emissions in Europe and the United States of America, the Group already has implemented the latest electrification technologies such as e-power at the occasion of model changes, and expects to assuredly comply with these regulations. In Japan, approximately two-thirds of the passenger vehicles already have been electrified (new car sales basis), and the Group aims to sell one million electric drive vehicles annually by fiscal year 2022. In the Nissan Green Program 2022, the Group intends to achieve the target of reducing 40% of CO_2 emissions discharged from new cars by 2022 with these initiatives.

The Group recognizes that it is important to study different resilient strategies, in which possible changes are assessed according to several scenarios, for example, in view of the factor of a 1.5ºC or 4ºC rise in temperature in considering the risks and opportunities that might be caused by uncertain future phenomena such as climate change. The Group will introduce such strategies in the Company's Sustainability Report and other documentation. However, if society as a whole does not quickly take measures to address climate change, the Group might suffer from the transition risk that could be caused by harsher policies and/or legal regulation toward a carbon-free society, an increase in R&D operations and actual market demand and/or a change in corporate reputation, as well as the physical risk of an increase in disasters due to abnormal weather conditions and sea surface elevation, which could have a significant effect on the Group's business performance and financial position due to a possible increase in costs to address the respective risks and a possible decline in car sales performance.

(6) Environmental and safety-related restrictions and Corporate Social Responsibility (CSR)

The automobile industry worldwide is influenced by a broad spectrum of environmental and safety related regulations governing the emission levels of exhaust fumes, CO_2/fuel economy guidelines, noise level, chemical substance management, recycling and water resources. These regulations have become increasingly stringent. Indeed, compliance with such regulations is obvious to industrial corporations, and the Group is actively committed both inside and outside of the Group to several continuous environmental activities based on the Nissan Green Program 2022 as part of CSR and to ensure and/or maintain an advantageous position against competitors. However, the burden of ongoing development and investments has been increasing. As a consequence, a further rise in these costs could have an impact on the Group's financial position and business performance.

Furthermore, even if the aforementioned initiatives are addressed by the Group, in case our stakeholders such as shareholders and customers do not evaluate that such initiatives provide a certain competitive edge for the Group, a negative impact on stock prices and/or sales might result, which could considerably affect the Group's financial position and business performance.

(7) Critical lawsuits and claims

It is possible that the Group could encounter a variety of claims or lawsuits with counterparties and/or third parties in the course of conducting business. With respect to various lawsuits and claims that the Group might encounter, the possibility exists that the Group's assertion may not be accepted or that the outcome may be significantly different from that anticipated. As a result, any such judgment verdict or settlement could significantly affect the Group's financial position and business performance.

(8) Limit of protecting intellectual assets

The Group owns a wide variety of proprietary technologies and has the expertise to differentiate the Group's products making them unique from those of its competitors. These assets have proven their value in the growth of the Group's business and will continue to be of value in the future. The Group strives to protect its intellectual property assets. However, in certain markets, the Group may encounter difficulty in protecting its own technologies.

The Group established the Intellectual Property Department to protect intellectual assets in such markets, strengthen activities to protect the Group's intellectual property rights, accumulate new intellectual assets and perform various activities to protect and create the Brands. However, cases may arise where the Group finds itself unable to prohibit others from abusing or infringing on its intellectual assets by imitating and manufacturing or selling similar products.

(9) Recruitment and retaining of talented human resources

The Group considers human resources to be the most important corporate assets. The Group therefore focuses its efforts on recruiting talented people globally, enhancing the development of human resources and implementing fairer and more transparent performance evaluation systems. However, industrial competition to secure talented people is intense. Should appropriate recruitment and/or retaining of such desirable human resources not go according to plan, such an unsuccessful personnel development strategy could adversely affect and reduce the competitiveness of the Group on a long-term basis.

(10) Compliance and reputation

In the wake of the issue of the improper treatment of the vehicle inspection for vehicles at domestic production plants, which took place in 2017, the Group conducted a third-party investigation, studied recurrence preventive measures, and is implementing such measures thoroughly, thereby making a concerted effort to regain the trust of customers and stakeholders.

On the other hand, in 2018 and 2019, a former Representative Director of the Company was indicted on suspicion of violation of the Financial Instruments and Exchange Law (charged with submitting false securities reports) and a former Representative Director, Chairman was additionally indicted on suspicion of violation of the Corporate Law (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violation of 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. The Company continues to improve governance, reform the corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.

However, compliance issues apply to any and all actions of all employees, all corporate vice presidents and all directors. Accordingly, it is difficult to completely prevent such incidents unless the Company itself clearly recognizes the importance of compliance and the need to improve the environment for effective adherence thereto, as well as ensuring that every employee, officer or director truly understands the importance of compliance and acts everyday with compliance in mind. Should the needed governance not be fully realized or any compliance violation recur, the social credibility of the Group and trust in its brand or products could be impaired and significantly affect the Group's business performance. The number of laws, regulations and rules that should be observed is increasing year by year, whereas expectations and demands relative to CSR in contemporary society are also increasing. Even if the perpetrator of an improper act is its secondary or tertiary supplier or distributor, or in the case when such incidents happen regarding products that were distributed in channels other than the regular sales route anticipated by the Group, the Group could be criticized for social responsibility and delayed, insufficient and/or improper responses on compliance-related issues could adversely affect the confidence and/or reputation of the Group, thereby adversely affecting the Group's business performance through, for example, a possible decline in sales resulting from a damaged reputation.

5. Continuation of business

(1) Large-scale natural disasters

The Group's corporate headquarters and many of its manufacturing facilities are located in Japan, where the statistically proven probability of earthquakes is higher than in many other countries. The Group has developed basic guidelines on earthquake risk management, and has organized a global task force, which is composed of major members of the Management Council, to direct disaster prevention and recovery activities. In addition, the Group has been strengthening its manufacturing facilities with anti-seismic reinforcement. However, if an unexpectedly severe earthquake were to hit one of the Group's key facilities causing a halt in production, this would significantly affect the Group's financial position and business performance.

The Group also addresses preventive measures and the improvement of emergency response systems to prepare for risks other than earthquakes, including typhoons, floods, volcanic eruption and epidemics of new types of influenza. Nevertheless, if any of these risk factors occurs or spreads on an unprecedented scale, such risk could adversely affect the Group's financial position and business performance.

In the wake of the Great East Japan Earthquake and the Kumamoto Earthquake that occurred recently, various unforeseen risks emerged as listed below.

- The risk that plant operations could be restricted, to a significant extent, because a scheduled power failure is forcibly implemented or a long-term power shortage continues.
- The risk that plant employees and/or suppliers could not restore operations or operate facilities within areas of limited or no access, in which people cannot restore or operate facilities based on an evacuation directive to restrict or prohibit entry due to radioactive pollution from a nuclear power generation plant.
- The risk that the acceptance of parts and/or products could be rejected or postponed by customers because of radioactive pollution, as well as the risk of sluggish sales due to harmful rumors.
- The risk of tsunamis, for which damage projections (e.g., the height of a tsunami and the scope of the expected devastated areas) are now much more severe than previously anticipated, in the event of any significant earthquakes such as the "Nankai Trough Earthquake".
- The risk that a supplier of the Group could be damaged by an earthquake in one of many active fault zones in Japan, significantly limiting plant operations.

The Group is currently studying and addressing effective countermeasures to solve these problems. However, these risks often cannot be handled by the Group alone and may entail certain costs to implement actions, and therefore could have an impact on the Group's financial position and business performance.

(2) Purchase of raw materials and parts

The Group purchases raw materials, parts/components and services from many suppliers by reason of its business structure. In addition, the use of rare metals, of which production volume is extremely small and production mines are limited to a small number of countries or regions, has been increasing, in association with the implementation of new technologies. The unpredictable fluctuation of market conditions resulting from a drastic change in the supply-demand balance or a radical change in the political situation of a production country could entail a greater-than-anticipated level of risk in the stable procurement of necessary raw materials, parts/components or services on an ongoing basis, which could adversely affect the Group's financial position and business performance.

(3) Dependency on specific suppliers

If procurement of higher technology or higher quality is pursued at more competitive pricing, actual orders might sometimes concentrate on only one or a small limited number of suppliers. Although the Group has reviewed its supply chains, including secondary and tertiary suppliers, and addressed their reinforcement measures, a possible suspension of supply due to any unforeseen accident or any delay or deficit in supply could lead to the forced suspension of the Nissan Group's production plants, thereby adversely affecting the Group's financial position and business performance.

(4) Computer information system

Almost all the Group's business activities depend on computerized information systems, and such information systems and networks have become increasingly complicated and sophisticated. Nowadays, it is impossible to process routine business operations without services available through these system networks. Given such circumstances, various incidents such as large-scale natural disasters, fires and electricity shutdowns could be risk factors that are detrimental to the Group's information systems. In addition, artificial threats have been rising rapidly, including computer virus infection and increasingly sophisticated cyber-attacks.

To cope with these risk factors, the Group has taken a variety of hardware-based and software-oriented measures, including the preparation of Business Continuity Plan ("BCP") and the improvement of security countermeasures. However, the possible occurrence of any greater-than-anticipated disaster, cyber-attack or infection from a computer virus could cause incidents such as the suspension of business operations due to system outage, the disappearance of important data, and theft or leakage of confidential information and/or private information. Consequently, such incidents could have a significant adverse effect on the Group's financial position, as well as the Group's business performance and/or the reputation of reliability.

3. Analysis of financial position, operating results and cash flows by management

(1) Overview of the operating results, etc.

The overview of the Group's financial position, operating results and cash flows (hereinafter the "operating results, etc.") for the current fiscal year is as follows:

1) Financial position and operating results

The global industry volume totaled 92.09 million units for the current fiscal year, a decrease of 1.5% year on year. Global sales of the Group for the year ended March 31, 2019, decreased by 4.4% year on year to 5,516 thousand units. Net sales of the Group for the year ended March 31, 2019, totaled ¥11,574.2 billion, which represents a decrease of ¥377.0 billion (3.2%) relative to net sales for the prior fiscal year. Operating income was ¥318.2 billion for the current fiscal year, a decrease of ¥256.6 billion (44.6%) from the prior fiscal year.
Net non-operating income was ¥228.3 billion for the current fiscal year, increasing by ¥52.8 billion from the prior fiscal year. As a result, ordinary income reached ¥546.5 billion, decreased by ¥203.8 billion (27.2%) compared with the prior fiscal year. Net special losses of ¥68.8 billion were recorded for the current fiscal year, deteriorating by ¥29.2 billion from the prior fiscal year. Income before income taxes decreased by ¥233.0 billion (32.8%) to ¥477.7 billion compared with the prior fiscal year. Finally, net income attributable to owners of parent for the year ended March 31, 2019, was ¥319.1 billion, a decrease of ¥427.8 billion (57.3%) from the prior fiscal year.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year increased by ¥153.1 billion (12.7%) from the end of the prior fiscal year to ¥1,359.1 billion. This reflected ¥1,450.9 billion in net cash provided by operating activities, ¥1,133.5 billion in net cash used in investing activities and ¥127.1 billion in net cash used in financing activities, as well as a decrease of ¥38.3 billion in the effects of foreign exchange rate movements on cash and cash equivalents and a ¥1.1 billion increase attributable to a change in the scope of consolidation.

3) Production, orders received and sales

a. Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	985,541	900,781	(84,760)	(8.6)
The United States of America	899,483	820,527	(78,956)	(8.8)
Mexico	787,876	734,304	(53,572)	(6.8)
The United Kingdom	487,269	415,364	(71,905)	(14.8)
Spain	98,579	88,679	(9,900)	(10.0)
Russia	50,921	52,929	2,008	3.9
Thailand	133,937	166,849	32,912	24.6
Indonesia	19,134	8,746	(10,388)	(54.3)
Philippines	6,523	4,664	(1,859)	(28.5)
India	239,043	182,486	(56,557)	(23.7)
South Africa	32,733	36,981	4,248	13.0
Brazil	95,714	106,011	10,297	10.8
Argentina	—	6,773	6,773	—
Egypt	16,598	18,183	1,585	9.5
Total	3,853,351	3,543,277	(310,074)	(8.0)

Note: The figures represent the production figures for the 12-month period from April 1, 2018 to March 31, 2019.

b. Orders received

Information on orders received has been omitted as the products manufactured after the related orders are received are immaterial to the Group.

c. Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	564,264	575,230	10,966	1.9
North America	2,049,310	1,849,312	(199,998)	(9.8)
(the United States of America included therein)	1,520,622	1,406,510	(114,112)	(7.5)
Europe	792,641	635,282	(157,359)	(19.9)
Asia	386,637	341,196	(45,441)	(11.8)
Other overseas countries	536,133	572,701	36,568	6.8
Total	4,328,985	3,973,721	(355,264)	(8.2)

Note: The figures in China and Taiwan, which are included in “Asia,” represent the sales figures for the 12-month period from January 1 to December 31, 2018. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 12-month period from April 1, 2018 to March 31, 2019.

(2) Analysis and discussions of the Group’s operating results from the viewpoint of management

The following analysis and discussions of the Group’s operating results, etc., from the viewpoint of management are, in principle, based on the consolidated financial statements.
Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of June 27, 2019, the date of filing this Securities Report.

1) Significant accounting policies and estimates

The Group’s consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to select and apply the accounting policies and to make certain estimates which affect the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. Although management believes that the estimates made reasonably reflect past experience as well as present circumstances, the actual results could differ substantially because of the uncertainty inherent in those estimates.
The significant accounting policies applied by the Group in the preparation of the consolidated financial statements are explained in “5. Financial Information [Significant accounting policies].” In management’s opinion, the following significant accounting policies could materially affect the estimates made in the consolidated financial statements:

a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided to cover losses on bad debts based on an estimate of the collectability of receivables. The Group may need to increase the allowance or incur losses on bad debts if the financial circumstances of its customers were to deteriorate and if their ability to pay their debts was thus impaired. Certain foreign subsidiaries and affiliates recognize impairment losses on financial assets using the expected credit loss model in accordance with International Financial Reporting Standards (IFRS) 9, but the amount of allowance to be recognized could increase when any of the assumptions in the estimate change.

b) Accrued warranty costs

Accrued warranty costs is provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on historical experience. The Group places a high priority on safety and does its best to enhance safety from the standpoint of research and development, manufacturing and sales service. However, if the estimates of future warranty costs were significantly different from the actual costs incurred due to product defects and other variables, the Group could incur a loss on the provision of additional accrual for warranty costs.

c) Retirement benefit expenses

The amounts of retirement benefit obligation and related expenses of the Group, which are provided for retirement benefits of employees of the Group companies, are calculated using various actuarial assumptions including the discount rate applied, the long-term expected rates of return on plan assets and other factors. When the Group’s actual results differ from those assumptions or when any of the assumptions change, the resulting effects will be accumulated and recognized regularly over future periods. The cumulative effect could adversely affect the recognition of expenses and liabilities recorded in future periods.

2) Perception, analysis and discussions of the operating results, etc., for the current fiscal year
The results of perception, analysis and discussions of the Group's operating results and financial position, for the current fiscal year are as follows:

(Operating results)

a. Net sales
Consolidated net sales for the current fiscal year were ¥11,574.2 billion, a decrease of ¥377.0 billion (3.2%) year on year. A major revenue-decreasing factor was a decrease in the number of vehicles sold.

b. Operating income
Consolidated operating income totaled ¥318.2 billion, a decrease of ¥256.6 billion (44.6%) from the prior fiscal year, and operating income as a percentage of net sales was 2.7% for the current fiscal year.
Major profit-decreasing factors in the change of consolidated operating income were the impact of currency translation, an increase of costs to address tighter environmental regulations mainly in Europe, an increase of raw materials cost, more severe business environment surrounding the automotive industry, and the cost for warranty extension program for CVTs in North America.

c. Non-operating income and expenses
Consolidated net non-operating income amounted to ¥228.3 billion for the current fiscal year, increasing by ¥52.8 billion from net non-operating income of ¥175.5 billion for the prior fiscal year. This result was mainly attributable to an increase in equity in earnings of affiliates.

d. Special gains and losses
Consolidated net special losses of ¥68.8 billion were recorded for the current fiscal year, deteriorating by ¥29.2 billion from net special losses of ¥39.6 billion for the prior fiscal year. This was mainly due to the impact of business transformation.

e. Income taxes
Income taxes for the current fiscal year increased by ¥188.8 billion to ¥135.8 billion from the prior fiscal year, which was affected by the enforcement of the Tax Cuts and Jobs Act in the United States of America.

f. Net income attributable to owners of parent
Net income attributable to owners of parent for the current fiscal year decreased by ¥427.8 billion (57.3%) from the prior fiscal year to ¥319.1 billion.

(Business segments)

a. Automobiles
The Group's worldwide automobile sales (on a retail basis) for the year ended March 31, 2019, decreased by 255 thousand units (4.4%) from the prior fiscal year to 5,516 thousand units. The number of vehicles sold in Japan increased by 2.1% to 596 thousand units. Vehicles sold in China increased by 2.9% to 1,564 thousand units. Those sold in North America including Mexico and Canada decreased by 9.3% to 1,897 thousand units, those sold in Europe decreased by 14.9% to 643 thousand units and those sold in other overseas countries decreased by 0.4% to 815 thousand units.

Net sales in the automobile segment (including intersegment sales) for the current fiscal year decreased by ¥443.8 billion (4.0%) from the prior fiscal year to ¥10,584.1 billion.

Operating income amounted to ¥66.0 billion for the year ended March 31, 2019, a decrease of ¥269.6 billion (80.3%) from the prior fiscal year. Major profit-decreasing factors were the impact of currency translation, an increase of costs to address tighter environmental regulations mainly in Europe and an increase of raw materials cost, more severe business environment surrounding the automotive industry, and the cost for warranty extension program for CVTs in North America.

b. Sales finance
Net sales in the sales finance segment (including inter-segment sales) for the year ended March 31, 2019, increased by ¥48.3 billion (4.2%) to ¥1,197.6 billion. Operating income increased by ¥12.7 billion (5.9%) from the prior fiscal year to ¥228.0 billion. A major profit-increasing factor was an increase in profit of sales finance companies in the United States of America and China.

(Geographic segment)

a. Japan

In Japan market, the total industry volume (“TIV”) increased by 1.2% year on year to 5.26 million units. The Group’s sales increased by 2.1% from the prior fiscal year to 596 thousand units attributable to favorable sales of “NOTE” and “SERENA,” for which e-POWER is highly valued by customers and all of which contributed to the overall sales increase. As a result, the Group’s market share increased to 11.3%, up 0.1 percentage point year on year. Meanwhile, net sales in Japan (including intersegment sales) for the current fiscal year decreased by ¥72.3 billion (1.6%) from the prior fiscal year to ¥4,574.9 billion. Operating income decreased by ¥116.3 billion (40.9%) from the prior fiscal year to ¥167.9 billion. Major profit-decreasing factors were a decrease in the number of vehicles sold and an increase of R&D cost despite a favorable effect of reduction in purchasing costs.

b. North America

In North America market, including Mexico and Canada, TIV decreased by 1.4% to 20.56 million units. The Group’s sales in North America decreased by 9.3% to 1,897 thousand units. Net sales in North America (including intersegment sales) for the current fiscal year decreased by ¥324.6 billion (5.1%) to ¥6,097.3 billion. Operating income decreased by ¥128.0 billion (64.0%) from the prior fiscal year to ¥72.1 billion. Major profit-decreasing factors were a decrease in the number of vehicles sold and the impact of warranty extension program for CVTs despite a favorable effect of reduction in purchasing costs and reduction of selling expenses.

Meanwhile, in the United States of America market, TIV decreased by 0.8% to 17.17 million units. The Group sold 1,444 thousand units, down 9.3% from the prior fiscal year, affected mainly by the initiative of normalizing sales activities. The Group’s market share decreased by 0.8 percentage point to 8.4%.

c. Europe

In Europe market, TIV increased by 0.3% to 20.03 million units. The Group sold 536 thousand units in Europe, excluding Russia, down 17.8% from the prior fiscal year, mainly affected by the impact of coping with environmental regulations. The Group’s market share decreased by 0.6 percentage point to 3.0%. Meanwhile, the Group’s sales in Russia market increased by 2.6% to 107 thousand units. Net sales in Europe (including intersegment sales) for the current fiscal year were ¥1,838.1 billion, a decrease of ¥253.9 billion (12.1%) from the prior fiscal year. Operating loss of ¥16.7 billion was recorded for the current fiscal year, deteriorating by ¥31.0 billion from the prior fiscal year. Major deteriorating factor were the impact of currency translation and a decrease in the number of vehicles sold despite a favorable effect of reduction in purchasing costs.

d. Asia

Sales volume in Asia market, excluding China, decreased by 2.2% to 260 thousand units. Net sales in Asia (including intersegment sales) for the current fiscal year increased by ¥19.6 billion (1.3%) from the prior fiscal year to ¥1,573.3 billion. Operating income for the current fiscal year was ¥71.0 billion, an increase of ¥17.4 billion (32.7%) from the prior fiscal year.

In China market, TIV decreased by 2.7% to 26.60 million units. The Group’s sales in China increased by 2.9% from the prior fiscal year to 1,564 thousand units, supported by sales of “X-Trail” and “Sylphy Zero Emission,” accounting for a market share of 5.9%, up 0.3 percentage point year on year. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., is reflected as a gain on the equity in earnings of affiliates in Non-operating income.

e. Other overseas countries

In other markets, consisting of Oceania, Middle East, South Africa and Central and South America excluding Mexico, the Group’s sales volume increased by 0.4% to 555 thousand units. The Group’s sales volume in Latin America market increased by 8.1% year on year to 225 thousand units. The Group’s sales volume in Africa market such as South Africa increased by 6.1% to 101 thousand units. Meanwhile, sales volume in the Middle East decreased to 165 thousand units, down 10.1%, better than the TIV decrease of 22.7%. Net sales in other markets consisting of the aforementioned regions (including intersegment sales) for the current fiscal year increased by ¥56.5 billion (5.6%) from the prior fiscal year to ¥1,062.7 billion. An operating loss of ¥5.4 billion was recorded for the current fiscal year, improving by ¥8.6 billion from the prior fiscal year.

The mission of midterm plan “Nissan M.O.V.E. to 2022” announced on November 8, 2017 was to achieve sustainable growth over a six-year period. Because the China market is one of the most important markets for the global automotive market today, the target of 8% operating margin, which is one of the Group’s KPIs, was based on the proportionate consolidation of the Chinese joint venture. On May 14, 2019, the Group announced the Business Transformation Plan as a recovery plan to address challenging tasks. The new Plan focuses on three core initiatives: recovery of the U.S. operations, operational and investment efficiency improvement, and steady growth through new products, advanced technologies and “Nissan Intelligent Mobility.”

Although the recently announced Business Transformation Plan included the target operating margin being considerably changed from 8% to 6%, this revision means a shift in strategy for corporate growth from the previous “expansion strategy” to “sustainable growth.”

(Analysis of sources of capital and liquidity)

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥379.6 billion to ¥1,450.9 billion in the current fiscal year from ¥1,071.3 billion provided in the prior fiscal year. This was mainly attributable to a shift from an increase to a decrease in sales finance receivables.

(Cash flows from investing activities)

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

(Cash flows from financing activities)

Net cash used in financing activities was ¥127.1 billion in the current fiscal year, a decrease in cash inflows of ¥163.9 billion compared with ¥36.8 billion provided in the prior fiscal year. This was mainly attributable to a decrease in proceeds from issuance of bonds.

As the cash and cash equivalents in the automobile business at the end of the current fiscal year exceeded interest-bearing debt, the Group had net cash of ¥1,598.2 billion in the cash position, and the free cash flows in the automobile business for the current fiscal year were positive ¥191.1 billion.

b. Financial policies

Financial activities within the Group are managed centrally by the Treasury Department of the Company, which functions as the global treasurer. Several activities are underway within the Group to improve funding efficiency through the implementation of a global cash management system.

The Group has developed a basic financial strategy under which the Group raises funds from appropriate sources and maintains an appropriate level of liquidity and a sound financial position so that the Group can make investments in research and development activities, capital expenditures and its finance business on a timely basis. In fiscal year 2019 (From April 1, 2019 To March 31, 2020), the Group plans to invest ¥570.0 billion in capital expenditures, which will be financed out of its own funds.

It is necessary to pay careful attention to the liquidity of funds in view of the drastic environmental changes in the financial markets and other relevant concerns. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents as above, the Group believes that a level of liquidity sufficient to meet the Group’s funding requirements is being maintained.

Whether or not the Group can raise funds without collateral and the related costs depends upon the credit rating of the Group. Currently, the Group’s credit rating is investment grade; however, this favorable rating is not presented herein with the intention of inviting the purchase or holding of the Group’s debt securities.

4. Important business contracts

Company which entered into agreement	Counterparty	Country	Agreement	Date on which agreement entered into
Nissan Motor Co., Ltd. (Filer of this Securities Report)	Renault	France	Overall alliance in the automobile business including equity participation	March 27, 1999
Nissan Motor Co., Ltd. (Filer of this Securities Report)	Daimler AG Renault	Germany France	Agreement on a strategic cooperative relationship including equity participation	April 7, 2010
Nissan Motor Co., Ltd. (Filer of this Securities Report)	MITSUBISHI MOTORS CORPORATION	Japan	Overall alliance in the automobile business including equity participation	May 25, 2016
Nissan Motor Co., Ltd. (Filer of this Securities Report)	Daimler AG Renault Renault-Nissan B.V. MITSUBISHI MOTORS CORPORATION	Germany France Netherlands Japan	Agreement on a strategic cooperative relationship including equity participation	October 3, 2018

5. Research and development activities

The Group has been proactively conducting research and development activities in diverse fields such as global environmental conservation and safety to realize the durable motorized society.
The research and development costs of the Group amounted to ¥523.1 billion for the current fiscal year.
The Group's research and development organization and the results of its activities are summarized as follows:

(1) Research and development organization

The Group's domestic research and development activities are promoted by Nissan Shatai Co., Ltd., and NISSAN AUTOMOTIVE TECHNOLOGY CO., LTD., for vehicle development and by Aichi Machine Industry Co., Ltd., JATCO Ltd, etc. for unit development, under the designated delegation of roles and via close collaboration with the Company, for which the central R&D body is the Nissan Technical Center (in Atsugi-shi, Kanagawa).
In the Western countries, Nissan North America, Inc. in the United States of America, Nissan Mexicana, S.A. de C.V. in Mexico, Nissan Motor Manufacturing (UK) Ltd. in the United Kingdom and Nissan Motor Iberica, S.A. in Spain design and develop several vehicle models. The Nissan Research Center Silicon Valley (NRC-SV) office in the United States engages in the research of autonomous driving vehicles and our state-of-the-art Information and Communication Technology (ICT) development.
In Asia, Nissan (China) Investment Co., Ltd., Dongfeng Motor Co., Ltd., a joint venture in China with Dongfeng Motor Group Co., Ltd., Yulon Nissan Motor Co., Ltd., a joint venture in Taiwan with Yulon Motor Co., Ltd., Nissan Motor Asia Pacific Co., Ltd. in Thailand and Renault Nissan Technology and Business Centre India Private Limited in India design and develop several vehicle models.
Nissan Do Brasil Automóveis Ltda. in South America and Nissan South Africa (Pty) Ltd. in South Africa partially engage in the development of locally produced vehicles.
Nissan, MITSUBISHI MOTORS CORPORATION and Renault share respective roles in the development of next-generation technologies, platforms and powertrains to accelerate their common use in the pursuit of further efficiency in management resources under the Alliance 2022 mid-term plan released in September 2017. Meanwhile, as for the strategic cooperative relationship with Daimler AG, the Company is working on sharing powertrains and platforms for common use.

(2) New vehicles under development

In Japan, the Group launched new "Nissan DAYZ" and "NISSAN LEAF e+" models and added a 4WD specification model to the "NOTE." Overseas, the Group launched the new "Altima," "NISSAN LEAF e+" and "Kicks" in North America and the "Sylphy Zero Emission" in China.

(3) Development of new technologies

As for the environment, the group aim to reduce 40% of CO_2 emissions discharged from new cars by 2022 compared with 2010, in line the Nissan Green Program 2022. To this end, we will reduce fuel consumption and CO_2 emissions through the technological innovation of manufacturing, including motorization of vehicles.
As for EVs, the sales volume of the "NISSAN LEAF" being launched in 51 countries and regions has increased steadily. As of March 2019, cumulative global sales exceeded 400 thousand units and global sales volume of NISSAN's overall EV vehicles including the "e-NV200" model, the "Sylphy Zero Emission" model, the "e30" model under the "Venucia" brand and models under Dongfeng brand surpassed 510 thousand units. The "NISSAN LEAF e+" model was additionally launched in Japan and the United States of America in fiscal year 2018, in response to a broad range of customer needs. The "NISSAN LEAF" brand is highly acclaimed worldwide. In Japan, the new "NISSAN LEAF" was awarded the Car Technology of the Year by the JAPAN AUTOMOTIVE HALL OF FAME. It also received the "Best of Innovation award winners for 2018" at the Consumer Electronics Show 2018 and the "2018 World Green Car" award at the 2018 New York International Auto Show in the United States of America, and the "Best Electric Car" award at the 2018 What Car? Awards in Europe. The "e-NV200" had been launched in Europe, Japan and Hong Kong as of March 2019. Its commercial applications have expanded, such as operation of the "e-NV200" model as taxis in Barcelona, Spain, and Amsterdam, Netherlands. This model is also used for various commercial purposes in Japan including shipping services by delivery companies in urban areas and by local municipalities.
In the motorization of vehicles, the e-POWER system equipped on the "NOTE" for the first time in fiscal year 2016 has been extensively adopted for the "SERENA," which was awarded the "RJC's Technology of the Year" for 2019. The e-POWER system offers full electric motor drive, meaning that the wheels are completely driven by the electric motor. The "NOTE e-POWER" achieved best-in-class fuel economy (*1) compared to conventional hybrid vehicles under urban conditions in which the vehicles are frequently driven, as optimal driving performance is achieved by an engine whose sole function is to generate electricity to power its 100% electric motor drive system.
As for the improvement of internal-combustion engines, our VC-Turbo engine, the world's first production-ready variable compression ratio engine, was equipped onboard the new "INFINITI QX50" and then extensively adopted for the new "Altima" model in the United States of America. As proven by having won the "2019 Wards 10 Best Engines Award," the VC-Turbo engine is highly evaluated. The variable compression ratio technology allows the VC-Turbo engine to swiftly select the optimum compression ratio with an advanced multi-link system, seamlessly adjusting the piston's top dead center, offering power, strong torque and efficiency on demand.

Reduction of car body weight is one of the key challenges to improving fuel economy. NISSAN therefore focuses on the reduction of car body weight in three aspects: rationalization of body structure, manufacturing method and the replacement of materials. In 2013, NISSAN adopted the world's first 1.2 Gpa-class steel that allows the coexistence of high strength and high formability features, for the "INFINITI Q50" model ("Skyline" in Japan) and then extensively for the "Murano" model and the "INFINITI Q60" model. In 2018, the Group also adopted ultra-high-tensile strength steel of the Super-High-Formability (SHF) 980 MPa-class, which boasts enhanced energy absorption at the time of a car crash, for the new "INFINITI QX50." The enhanced use of ultra-high-tensile strength steel has been under way and was applied to the new "Altima" model (1.2 GPa-class and 980 MPa-class) in 2018 and the new "Nissan DAYZ" model (1.2 GPa-class) in 2019 for their skeleton body components. Furthermore, total costs can be reduced while ensuring the reduction of car body weight with thin body thickness because these types of ultra-high-tensile strength steel can be produced through an existing production line and they serve to reduce the volume of steel used.

The Company not only "manufactures and sells EVs" but also provides various "Nissan Energy" solutions, including the improvement of the environment, which would contribute to making people's lives and society with EVs more affluent, and has established an "EV eco-system" that integrates these solutions.

Nissan Energy is composed of the following three fields:

・Nissan Energy Supply: Nissan Energy Supply provides connected charging solutions that customers may need at home, on the road and at their destination to enjoy safe and convenient EV lives.

・Nissan Energy Share: A vehicle-to-home system charges the connected electric vehicle, which then shares power with the home. This demonstrates Nissan Energy Share by using Nissan's EV technology to store, share and repurpose energy, offering new value. Nissan promotes extending this electricity-sharing scheme to buildings and local communities.

・Nissan Energy Storage: Batteries built into Nissan EVs retain high performance even after electricity has been used for the vehicle's functions/operations. Nissan Energy Storage provides promising solutions for secondary utilization of batteries by anticipating the widespread use of EVs in the future.

In fiscal year 2018, jointly with Tohoku Electric Power Co., Inc., Mitsui & Co., Ltd., and MITSUBISHI ESTATE CO., LTD., Nissan started a demonstration project of charging/discharging electricity by connecting EV batteries with an electric power line. Meanwhile, the "world's first mass-produced, multiple-type, ultra-quick power charger" and "Street lights with standalone power supply," both launched from Namie Town, Fukushima Prefecture, utilize recycled batteries of "NISSAN LEAF" vehicles.

Regarding safety, the Group aimed to achieve the goal of reducing by half the number of Nissan-automobiles-related deaths (compared to 1995) by 2015 via the analysis of actual traffic accidents. This goal has been achieved in Japan, the United States of America and Europe (the United Kingdom). At present, the Group continues to conduct diverse activities targeting further reducing by half the above number of Nissan-automobiles-related deaths by 2020 in Japan, the United States of America and Europe (the United Kingdom), with zero fatalities as the ultimate goal. To this end, with a perspective of reducing the number of traffic accidents, the Group has been promoting the development of a technology that allows the vehicle to support its passengers to stay away from danger based on "Safety Shield," which is a sophisticated and positive approach to safety issues.

In Japan, the "Nissan DAYZ ROOX" model obtained the highest evaluation (ASV+++) under the Japan New Car Assessment Program (JNCAP). In the United States of America, the "Pathfinder" and "INFINITI QX60" models obtained the highest evaluation (5 Star) under the United States New Car Assessment Program (US-NCAP), whereas the "Pathfinder (*2)," "Kicks" and new "Altima" models were recognized as "2019 Top Safety Picks (TSP)" by the Insurance Institute for Highway Safety (IIHS) (LED headlight onboard car). In Europe, the "NISSAN LEAF" model obtained the highest evaluation (5 Star) under the European New Car Assessment Program (Euro NCAP).

Moreover, the Company promotes the adoption of the autonomous driving technology that can be expected to significantly reduce the number of traffic accidents and launched in August 2016 a "SERENA" model with the ProPILOT technology. ProPILOT will support drivers' driving operations by controlling the accelerator, braking device and steering in full automatic mode in two scenes: i) driving on congested roads and ii) long-time cruising. The Group is globally active in extensively adopting the ProPILOT onboard its vehicles. The system has been equipped onboard the "SERENA," "X-Trail," "NISSAN LEAF" and "Nissan DAYZ" models in Japan; onboard the "Rogue," "NISSAN LEAF," new "Altima" and new "INFINITI QX50" in the United States of America; and on board the "NISSAN LEAF" and "Qashqai" in Europe. Consequently, the sales volume of models with the ProPILOT onboard exceeded an aggregate total of 300 thousand units by March 31, 2019. In the near future, the Group will put the ProPILOT into practical use, which will be compatible with the multi-lane control operations that enable cars to automatically change lanes on highways. In addition, the Group publicly released its schedule to launch 20 vehicle models with the ProPILOT onboard in 20 markets by 2022 and expects the sales volume of car models with the ProPILOT onboard to exceed one million units annually by 2022.

At the same time, the Group is committed to future-oriented mobility services. In March 2018, a demonstrative experiment utilizing unmanned, autonomous driving vehicles for "Easy Ride," a new traffic service under joint development with DeNA Co., Ltd., started in the Minato Mirai area in Yokohama-shi, Kanagawa. In February 2019, another demonstrative experiment was conducted in a more pragmatic form by identifying concrete subjects such as the expansion of the targeted area and the free setting of boarding points and destinations.

The Group will always be actively involved in research and development activities designed to launch new and highly competitive products on the market and to pioneer advanced technologies for the future with the aim of achieving the targets in the Nissan M.O.V.E. to 2022.

*1: At the time of launch: 26.2 km/L for the "SERENA e-POWER" (Japanese standards)

*2: For vehicles produced in and after August 2018

3. Equipment and Facilities

1. Overview of capital expenditures

The Group (the Company and its consolidated subsidiaries) invested ¥509.9 billion during this fiscal year, in particular, to accelerate the development of new products, safety and environmental technology and on efficiency improvement of the production system.

2. Major equipment and facilities

The Group’s major equipment and facilities are summarized as follows:

Notes: 1. “Other” in net book value consists of tools, furniture and fixtures and construction in progress.

2. “Number of employees” indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2019, and are not included in the number of full-time employees.

(1) The Company

(As of March 31, 2019)

Location	Address	Description	Net book value						Number of employees
			Land		Buildings & structures	Machinery & vehicles	Other	Total	
			Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Persons)
Yokohama Plant	Kanagawa-ku and Tsurumi-ku, Yokohama-shi, Kanagawa	Automobile parts production facilities	505,434	370	25,098	39,572	4,486	69,526	2,251 (813)
Oppama Plant (including the Research Center)	Yokosuka-shi, Kanagawa	Vehicle production facilities	1,844,577	29,150	32,323	19,166	5,960	86,599	2,589 (1,082)
Tochigi Plant	Kaminokawa-cho, Tochigi	Vehicle production facilities	2,912,774	4,289	21,402	34,548	15,185	75,424	3,701 (1,470)
Nissan Motor Kyushu Co., Ltd. (Note 1)	Kanda-machi, Fukuoka	Vehicle production facilities	2,355,196	29,849	29,892	21,047	8,633	89,421	99 (17)
Iwaki Plant	Iwaki-shi, Fukushima	Automobile parts production facilities	205,489	3,545	6,440	13,278	2,358	25,621	522 (260)
Head Office departments and other	Atsugi-shi and Isehara-shi, Kanagawa	R&D facilities	1,356,140	25,418	70,537	26,516	21,036	143,507	9,282 (1,006)
	Nishi-ku, Yokohama-shi, Kanagawa	Head office	10,000	6,455	18,380	761	2,526	28,122	2,099 (283)

Notes: 1. All of the vehicle production facilities are lent to Nissan Motor Kyushu Co., Ltd., to which manufacturing of the Company’s products is entrusted.

2. The above table has been prepared based on the location of the equipment.

3. The figures for each plant include those at adjoining facilities for employees’ social welfare, warehouses and laboratories and the related full-time employees.

(2) Domestic subsidiaries

(As of March 31, 2019)

Company	Location	Address	Description	Net book value						Number of employees (Persons)
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
JATCO Ltd	Fuji Office and other	Fuji-shi, Shizuoka, etc.	Automobile parts production facilities	1,023,808	16,051	24,256	49,343	27,438	117,088	4,999 (963)
Nissan Shatai Co., Ltd.	Shonan Plant and other	Hiratsuka-shi, Kanagawa, etc.	Vehicle production facilities	649,312	12,166	10,487	16,509	9,018	48,180	1,806 (353)
Aichi Machine Industry Co., Ltd.	Atsuta Plant and other	Atsuta-ku, Nagoya-shi, Aichi, etc.	Automobile parts production facilities	396,654	26,618	9,462	23,192	9,560	68,832	1,523 (346)
Nissan Network Holdings Co., Ltd.	Head office and other	Yokohama-shi, Kanagawa, etc.	Facilities for automobile sales, etc.	3,354,965	361,245	83,234	66	4,602	449,147	49 (2)

(3) Foreign subsidiaries

(As of March 31, 2019)

Company	Location	Address	Description	Net book value						Number of employees (Persons)
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Nissan North America, Inc.	Production plant for vehicles and parts and other facilities	Smyrna, Tennessee, Canton, Mississippi, USA, etc.	Production facilities for vehicles, parts and others	25,887,621	8,660	71,442	147,520	164,952	392,574	16,550 (7)
Nissan Mexicana, S.A. de C.V.	Production plant for vehicles and parts and other facilities	Morelos, Mexico, and Aguascalientes, Mexico	Production facilities for vehicles, parts and others	6,379,730	6,936	22,258	47,800	87,707	164,701	13,142 (1,185)
Nissan Motor Iberica, S.A.	Production plant for vehicles and parts	Barcelona, Madrid, Spain, etc.	Production facilities for vehicles and parts	591,537	930	15,140	29,723	35,293	81,086	4,511 (193)
Nissan Motor Manufacturing (UK) Ltd.	Production plant for vehicles and parts	Sunderland, Tyne & Wear, United Kingdom	Production facilities for vehicles and parts	2,861,491	1,571	19,490	36,193	29,577	86,831	6,395 (1,061)
Renault Nissan Automotive India Private Limited	Production plant for vehicles and parts	Oragadam, Kanchipuram District, India	Production facilities for vehicles and parts	2,468,582	3,045	15,089	36,707	25,416	80,257	5,348 (0)
Nissan Motor (Thailand) Co., Ltd.	Production plant for vehicles and parts	Bangsaothong, Samutpraken, Thailand	Production facilities for vehicles and parts	998,190	2,723	6,203	14,286	30,996	54,208	4,261 (29)
Nissan Manufacturing RUS LLC.	Production plant for vehicles and parts and other facilities	Sankt-Petersburg, Russia	Production facilities for vehicles and parts and others	1,650,603	293	10,165	6,856	4,138	21,452	2,075 (36)
Nissan Do Brasil Automóveis Ltda.	Production plant for vehicles and parts and other facilities	Resende, Rio de Janeiro, Brazil	Production facilities for vehicles and parts and others	2,738,167	3,276	23,500	3,566	14,302	44,644	2,335 (0)
PT. Nissan Motor Indonesia	Production plant for vehicles and parts	Kota Bukit Indah, Purwakarta, Indonesia	Production facilities for vehicles and parts	233,327	774	2,167	4,186	3,960	11,087	1,722 (337)

Note: In addition to the above, other major leased assets are presented as follows:

Major leased assets

Company	Location	Address	Lessor	Description	Area (m^2)	Lease Fees (Thousands of yen/month)
Nissan Motor Co., Ltd.	Information System Center	Atsugi-shi, Kanagawa	Mizuho Trust & Banking Co., Ltd.	Building	24,624	78,658
Nissan Motor Iberica, S.A.	Part of the plant site	Barcelona, Spain	Zona Franca Association of Industrial Area	Land	518,000	18,061

Notes: 1. Lease fees are presented exclusive of consumption tax.
2. Employees working in or with the leased assets are included in “Major equipment and facilities” above.

Information by reportable segments

Reportable segments	Net book value						Number of employees (Persons)
	Land		Buildings & structures	Machinery & vehicles	Other	Total	
	Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Sales finance	7,839	33	1,983	2,682,670	22,138	2,706,824	3,806 (121)

Note: There was no major idle equipment or facility at present.

3. Plans for new additions or disposals

(1) New additions and renovations

In fiscal year 2019 (From April 1, 2019 To March 31, 2020), the Group plans to invest ¥570.0 billion in capital expenditures, which will be financed out of its own funds.

(2) Disposals and sales

Except for disposals and sales conducted in the course of the Group’s routine renewal of its equipment and facilities, there is no plan for significant disposals or sales.

4. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

1) Number of shares

Type	Number of shares authorized to be issued
Common stock	6,000,000,000
Total	6,000,000,000

2) Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of March 31, 2019	As of June 27, 2019 (filing date of this Securities Report)		
Common stock	4,220,715,112	4,220,715,112	First Section of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

(2) Status of the share subscription rights

1) Stock option plans
Not applicable

2) Right plans
Not applicable

3) Other share subscription rights
Not applicable

(3) Exercise status of bonds with share subscription rights containing a clause for exercise price adjustment

Not applicable

(4) Changes in the number of shares issued and the amount of common stock and other

Period	Changes in the number of shares issued (Thousands)	Balance of the number of shares issued (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in additional paid -in capital (Millions of yen)	Balance of additional paid -in capital (Millions of yen)
From April 1, 2015 To March 31, 2016 (Note)	(26,000)	4,494,715	—	605,813	—	804,470
From April 1, 2016 To March 31, 2017 (Note)	(274,000)	4,220,715	—	605,813	—	804,470

Note: Decrease due to retirement of treasury stock

(5) Details of shareholders

(As of March 31, 2019)

Classification	Status of shares (1 unit = 100 shares)								Stocks of less than a standard unit
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders (other than individuals)	Foreign shareholders (individuals only)	Individuals and other	Total	
Number of shareholders (Persons)	—	167	64	2,732	865	838	553,420	558,086	—
Number of shares held (Units)	—	6,832,554	1,066,236	735,544	25,777,529	17,091	7,771,878	42,200,832	631,912
Shareholding Ratio (%)	—	16.19	2.53	1.74	61.08	0.04	18.42	100.00	—

Note: Treasury stock of 28,430,892 shares is included in "Individuals and other" at 284,308 units, and in "Stocks of less than a standard unit" at 92 shares.

(6) Principal shareholders

(As of March 31, 2019)

Name	Address	Number of shares held (Thousands)	Number of shares (excluding treasury stock) held as a percentage of total shares issued (%)
Renault S.A. (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	13-15 QUAI ALPHONSE LE GALLO 92100 BOULOGNE BILLANCOURT, FRANCE (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	1,831,837	43.7
THE CHASE MANHATTAN BANK, N.A., LONDON SPECIAL ACCOUNT NO. 1 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (Note)	WOOLGATE HOUSE, COLEMAN STREET, LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	144,413	3.4
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	141,411	3.4
Japan Trustee Services Bank, Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	111,033	2.6
Japan Trustee Services Bank, Ltd. (Trust account 9)	1-8-11 Harumi, Chuo-ku, Tokyo	57,048	1.4
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	1-6-6 Marunouchi, Chiyoda-ku, Tokyo (Nippon Life securities management portion) (2-11-3 Hamamatsu-cho, Minato-ku, Tokyo)	54,029	1.3
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	48,887	1.2
Japan Trustee Services Bank, Ltd. (Trust account 5)	1-8-11 Harumi, Chuo-ku, Tokyo	46,279	1.1
Japan Trustee Services Bank, Ltd. (Trust account 1)	1-8-11 Harumi, Chuo-ku, Tokyo	30,758	0.7
JP Morgan Chase Bank 385151 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	29,976	0.7
Total	—	2,495,671	59.5

Note: Daimspain, S.L. substantially holds 140,142 thousand shares of the Company although those shares are in custody of THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO. 1 on the shareholders' register.

(7) Status of voting rights

1) Shares issued

(As of March 31, 2019)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,430,800	—	—
	(Crossholding stock) Common stock 196,100	—	—
Shares with full voting rights (Others)	Common stock 4,191,456,300	41,914,563	—
Stocks of less than a standard unit	Common stock 631,912	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,914,563	—

Note: “Stocks of less than a standard unit” include 92 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of March 31, 2019)

Shareholder	Number of shares
Kai Nissan Motor Co., Ltd.	30

2) Treasury stock, etc.

(As of March 31, 2019)

Shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
		Shares	Shares	Shares	%
Treasury stock: Nissan Motor Co., Ltd.	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	28,430,800	—	28,430,800	0.67
Crossholding stock:					
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	105,600	—	105,600	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	37,800	47,700	85,500	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		28,579,000	47,900	28,626,900	0.68

Note: The shares included in “Number of shares held under the names of others” represents those held by Nissan’s crossholding share association (address: 1-1-1 Takashima, Nishi-ku, Yokohama-shi, Kanagawa). (Fractional numbers under 100 have been omitted.)

2. Acquisition of treasury stock

Type of shares: Acquisition of shares of common stock under Article 155, Item 7 of the Corporate Law

(1) Acquisition of treasury stock based on a resolution approved at the annual general meeting of the shareholders
Not applicable

(2) Acquisition of treasury stock based on a resolution approved by the Board of Directors
Not applicable

(3) Acquisition of treasury stock not based on a resolution approved at the annual general meeting of the shareholders or on a resolution approved by the Board of Directors

Classification	Number of shares (Thousands)	Total amount (Millions of yen)
Treasury stock acquired during the current fiscal year	5	5
Treasury stock acquired during the period for acquisition	0	0

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2019, to the filing date of this Securities Report.

(4) Current status of the disposition and holding of acquired treasury stock

Classification	Current fiscal year		Period for acquisition	
	Number of shares (Thousands)	Total disposition amount (Millions of yen)	Number of shares (Thousands)	Total disposition amount (Millions of yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	—	—	—	—
Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/corporate separation	—	—	—	—
Other (Acquired treasury stock that was disposed of instead of issuing shares due to the exercise of share subscription rights)	—	—	—	—
Number of shares of treasury stock held	28,431	—	28,431	—

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2019, to the filing date of this Securities Report.

3. Dividend policy

The Company positions the return of profits to shareholders as one of the most important management policies. The return of profits to shareholders mainly consists of the distribution of dividends, and the Company aims to ensure the stable distribution of dividends while taking into account the level of cash on hand, past records and forecasts of profits and free cash flows, the required investment for the future, and other factors.
The Company’s basic policy on the distribution of dividends from surplus is twice annually, that is, an interim dividend and a year-end dividend, as the Company has determined in its articles of association that the Company may distribute interim dividends as stipulated in Article 454, Paragraph 5, of the Corporate Law. The final decision-making organization is the Board of Directors for the interim dividend, and a general meeting of the shareholders for the year-end dividend.
As for the distribution of dividends from surplus for the year ended March 31, 2019, the Company’s interim dividend was ¥28.5 per share and the year-end dividend was ¥28.5 per share. As a result, the Company’s annual dividend was ¥57 per share.
The Company intends to apply its internal reserve to preparations for future business development and R&D costs.

Note: Dividends from surplus for which the record date belongs to the fiscal year ended March 31, 2019, are as follows:

Date of resolution	Total dividend amount (Millions of yen)	Dividend per share (Yen)
Board of Directors meeting held on November 8, 2018	111,474	28.5
Annual general meeting of the shareholders held on June 25, 2019	111,520	28.5

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

4. Corporate governance

(1) Status of corporate governance

1) Basic corporate governance policy

The Company transitioned to a company with three statutory-committees at the close of the 120th Ordinary General Meeting of Shareholders of the Company on June 25, 2019, and is continuing its efforts to strengthen its governance and compliance.
The basic corporate governance policy under the new system is as follows:

- In order to create unique and innovative automotive products and services, and deliver superior measurable value to all stakeholders, we will pursue the Vision of "Enriching people's lives," as a company that is trusted by society; and we will address improvement of corporate governance as one of our most prioritized managerial tasks.
- We will conduct our business while considering society's expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.
- We will select, as our corporation form, a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions. As such, we will improve the transparency of the decision-making process and also conduct speedy and agile business execution.
- Through the supervision, oversight, and auditing by the Board of Directors and other corporate bodies, we will ensure the effectiveness of our structure related to internal controls, compliance, and risk management. Officers and employees, including Executive Officers, will sincerely respond to the supervision, oversight, and auditing contemplated hereby.

2) Summary of the Company's corporate governance system and the reason for adopting this system

As noted in "Basic corporate governance policy" above, the Company has adopted a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions, for the purpose of improving the transparency of the decision-making process and of conducting speedy and agile business execution.
The Company's Board of Directors, led by the Independent Outside Directors, shall decide the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the Directors and Executive Directors. The number of Directors is a number appropriate to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in meetings of the Board of Directors are led by the Independent Outside Directors, a majority of the Directors is Independent Outside Directors and the Board Chair is also an Independent Outside Director.
The Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors and, in order to carry out effective and flexible management, as a general rule, the Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to Executive Officers.
The Board of Directors currently consists of eleven (11) Directors, whose names are listed in 4. Corporate governance (2) Members of the Board of Directors and Statutory Auditors. Of the 11 Directors, seven (7) are Outside Directors: Keiko Ihara, Masakazu Toyoda, Bernard Delmas, Andrew House, Yasushi Kimura, Motoo Nagai and Jenifer Rogers. The Board of Directors has appointed Yasushi Kimura as the Board Chair and Jean-Dominique Senard as the Vice Board Chair. Masakazu Toyoda is acting as the lead Independent Outside Director.

The Company has three (3) statutory committees.

i) The Nomination Committee
The Board of Directors appoints at least a majority of the members of the Nomination Committee from among the Independent Outside Directors. The committee chair is also an Independent Outside Director. The Nomination Committee has the authority to determine the content of the general shareholder's meeting agenda concerning the appointment and dismissal of Directors as provided for in the Corporate Law. In addition, the Nomination Committee has (a) the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the Representative Executive Officer and (b) the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer and review it at least once a year.
The Nomination Committee consists of six (6) Directors: Masakazu Toyoda (the chair), Keiko Ihara, Andrew House, Yasushi Kimura, Motoo Nagai, Jean-Dominique Senard.

ii) Compensation Committee
The Board of Directors appoints an Independent Outside Director for all of its member (including its chair). The Compensation Committee has the authority to determine the policy on decisions on the content of the compensation for individual Directors and Executive Officers and the contents of the compensation for individual Directors and Executive Officers. In addition, the Compensation Committee has the authority to determine the specific amount, or, in the case of non-cash compensation, the specific content of compensation, for each individual Director and Representative Executive Officer.
The Compensation Committee consists of four (4) Directors: Keiko Ihara (the chair), Bernard Delmas, Motoo Nagai, Jenifer Rogers.

iii) Audit Committee
The Board of Directors appoints at least a majority of the members of Audit Committee from among the Independent Outside Directors. Its chair is also an Independent Outside Director.
The Audit Committee has adequately qualified and able Director (including the ability to collect information within Nissan and experience and/or expertise in international audit as. In addition, it is desirable that such Director should have worked as an auditor, accountant or other professional in the field of finance.) and shall perform audit of Executive Officers' business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function

of the Board of Directors on an ongoing basis.
The Audit Committee takes charge of the department for internal audit and instruct the department for internal audit with regard to auditing, and the department for internal audit shall report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis.
In addition, the Audit Committee shall be the final entity to receive any whistleblower's report regarding any allegation that involves any management member such as any Executive Officer. The Audit Committee shall respond to such report under a system preventing such Executive Officer and other management members from identifying the whistleblower or knowing the contents of such report.
The Audit Committee is consisting of five (5) Directors, Motoo Nagai (the chair): Masakazu Toyoda, Yasushi Kimura, Jenifer Rogers, Thierry Bolloré.

Executive Officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and executes the business of the Company group.
Currently, nine (9) Executive Officers, of which two (2) are Representative Executive Officers, are appointed as described in (2) Members of the Board of Directors and Statutory Auditors.
Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to Corporate Officers and employees.

3) Status of the Company's internal control systems

1. The Company's Board of Directors has resolved "systems to ensure proper and appropriate corporate operations of the Company and its group companies" in accordance with the Corporate Law and the Corporate Law Enforcement Regulations, and appointed an Executive Officer or Executive Officers to be in charge of the internal control system. A summary and the status of such systems are as follows.

i) Systems to ensure efficient and management of business activities by the Executive Officers
a. The Company choses to be a company with three statutory committees as its legal organizational structure and its Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors.
b. The Company's Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to its Executive Officers, in order to carry out effective and flexible management.
c. The Company uses a proven system of an Executive Committee, in which Executive Officer President and Chief Executive Officer is a chair, where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.
d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.
e. In order to promote cross functional activities, cross functional teams - CFTs - are organized. CFTs detect problems and challenge and propose solutions to line organizations.
f. The Company implements an objective and transparent Delegation of Authority procedure which establishes the authority and responsibility of each Executive Officer and employee, for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.
g. The Company ensures the efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.

ii) Systems to ensure compliance of Executive Officers' and employees' activities with Laws and articles of association
a. The Company implements the "Global Code of Conduct", which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.
b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.
c. With regard to members of the Board of Directors as well as Executive Officers, etc. of the Company, the Company shall establish "Guidance for Directors, Executive Officers, etc.", which explains the acceptable behaviors of the members of the Board of Directors and Executive Officers.
d. The Company stands firm and take appropriate actions against anti-social forces or groups. If any Director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
e. All Directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee, and shall follow their instructions.
f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee. The compliance topics detected by the Global Compliance Committee, which are related to Executive Officers of the Global Head Quarters and the chair of the Management Committee are directly reported to the Audit Committee.
g. The Company implements a hotline system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management. The Company has established the system where, as for the matters with doubt of involvement of the management such as Executive Officers, etc., related Executive Officers, etc. do not be able to gain knowledge of the whistleblower or the detail of the report by making the Audit Committee the body to report to.

h. The Company is committed to continually implementing relevant company rules. The Company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.
i. The Company is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Law together with its related rules and standards. This is accomplished through adherence to J-SOX testing, review, and reporting protocols (required under the Financial Instruments and Exchange Law). The Company designs and effectively operates processes. Further the Company addresses identified accounting and internal control findings.
j. The Board of Directors appoints Outside Directors that has independency (Independent Outside Director) for the majority of its members and for its chair and shall focus on supervising the status of execution of duties by Executive Officers by taking a number of measures such as periodically receive reports from Executive Officers, periodically hold meetings only with the Independent Outside Directors, establish a lead Independent Outside Director, enhance the secretariat's personnel and function, and secure independency and further, shall receive assessment from a third party evaluation organization in respect to its functionality once every three years.
k. The Audit Committee appoints Independent Outside Director for a majority of its member and as its chair and also appoint adequately qualified and able Director and shall perform audit of Executive Officers' status of business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.
l. The Company shall establish a department under the Audit Committee specialized in internal audit for the purpose of regularly auditing group companies' business and their observance of processes, policies, laws, and other matters as appropriate. Regional internal audit departments have been established to perform internal audits under the supervision of Nissan's global internal audit department.
m. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee.
n. Considering the possibilities of conflict of interest between Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION, which is one of the other parties of the Alliance, and the Company, Representative Executive Officer must not concurrently serve as a Director, Executive Officer, or any other officer or other positions of Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION and the subsidiaries and affiliates thereof. If an Executive Officer concurrently serves in such position upon assuming the office of Representative Executive Officer of the Company, he/she and the Company shall promptly take necessary measures to leave such position at the other company.
o. If a Director has held the position of Director, Executive Officer or other positions with a title at Renault, other shareholders or MITSUBISHI MOTORS CORPORATION or its subsidiaries and affiliates thereof, such Director shall not participate in the deliberation and resolution of an agenda raised at the Company's meeting of Board of Directors that may cause a conflict of interest between the company in which the Director has held a position and the Company.
p. The Company's activities relating to the Nissan-Renault- Mitsubishi Motors Alliance, including operational functions under common-management, are subject to direction, supervision and oversight by the company's Board of Directors, Executive Committee and relevant Executive Officers, etc. Decision-making occurs by the Company's Board of Directors, Executive Officers or employees in accordance with the Company's Delegation of Authority, and as otherwise necessary to comply with legal and regulatory requirements and also in consideration of the possibility of conflict of interest between the Company and Renault or the Company and Mitsubishi Motors.
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q. Upon newly establishing or changing the organization internally, the Company shall not adopt a structure where the authority is divided in a way which may possibly inhibit the check function of the legal, accounting, financial and other managerial departments.

iii) Rules and systems for proper management of risk and loss
a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."
b. Management of material company-wide risks is assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing relevant risk management manual.
c. Concerning the management of other specific business risks beyond those supervised directly by the Risk Management Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.
d. The internal audit department of the Company on behalf of the Audit Committee shall conduct auditing activities pursuant to the relevant audit standards in order to provide assurance on the state of internal controls pursuant to a risk based methodology and consulting when appropriate.

iv) Systems to ensure accurate records and the retention of information of Executive Officers' execution of business
a. The Company preserves and appropriately manages the documents and other information relating to Executive Officers' execution of business.
b. Results of all corporate decisions made by various divisions and department pursuant to Delegation of Authority are preserved and retained either electronically or in writing.
c. While the departments in charge are responsible for proper and strict retention and management of such information, , in particular, for materials related to important management councils, Directors and Executive Officers and other employees of the Company have access to any records within a reasonable range as required for the purpose of performing their business activities.
d. The Company has enacted a policy about the creation, use, management of information to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has established an Information Security Committee, which is engaged in overall management of information security in the Company and makes decisions on information security matters.

v) Systems to ensure proper and legitimate business activities of the group companies

(A) Systems to ensure the efficient execution and management of business activities by Directors of the group companies

a. The Company establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent Group management.

b. In management committee meetings, the Company provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.

c. The group companies implement an objective and transparent Delegation of Authority procedures in cooperation with the Company.

(B) Systems to ensure compliance of activities of Directors and employees of the group companies to laws and regulations and articles of association

a. Group companies implement each company's code of conduct in line with the Global Code of Conduct, establish a compliance committee and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, the articles of association and the corporate behavior. In addition, group companies implement a hotline system which ensures that employees are able to directly communicate to the group company or to the Company directly their opinions, questions and requests.

b. The internal audit department of the Compnay carries out audits on the business of group companies for the purpose of evaluating and improving the effectiveness of risk management control and governance processes.

c. The Company's Audit Committee and group companies' Statutory Auditors shall have periodic meetings to share information and exchange opinion for the purpose of ensuring effective auditing of the group companies.

d. In particular, the scope and frequency of internal audits and other monitoring activities on the business of the group companies may vary reasonably because of, for example, risk identified as well as the size, nature of the business, and materiality of such group companies.

(C) Rules and systems for proper management of risk and loss of the group companies

a. The group companies implement the Global Risk Management Policy.

b. Management of risks related to the group companies that might have an impact on the entire Group is assigned mainly to the members of the Risk Management Committee, who are responsible to implement specific measures.

c. Concerning the management of other risks related to the group companies, each group company is responsible to monitor, manage and implement the necessary measures to minimize such risks.

(D) Systems for Directors of the group companies to report business activities to the Company

The Company requests the group companies to report and endeavors to maintain certain important business matters of the group companies, through multiple routes, including, (i) the systems stated in (A) through (C) above and (ii) relations and cooperation between each function of the Company and the corresponding function of the other group companies.

vi) Directors and employees supporting the Company's Audit Committee, systems showing the Directors and employees' independence from the Company's Executive Officers, and systems to ensure effectiveness of the Company's Audit Committee's instruction to Directors and employees

a. The Company has Audit Committee secretariat as an organization to support the activities of the Company's Audit Committee. The required number of staff members shall be assigned to the Audit Committee secretariat and they carry out their duties under the direction of the Audit Committee member.

b. The evaluation of staff members in the Audit Committee secretariat shall be discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.

vii) Systems to report business issues to the Company's Audit Committee and systems to ensure to prevent disadvantageous treatment of those who made such report

(A) Systems for the Company's board members (excluding Audit Committee members), Executive Officers and employees to report business issues to the Compnay's Audit Committee

a. The Company's Audit Committee determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors (excluding Audit Committee members), Executive Officers and employees make reports in accordance with the annual audit plan.

b. When the Company's Directors (excluding Audit Committee members), Executive Officers and employees detect any incident which could have a materially negative impact on Nissan's business performance or reputation, or are believed to be non-compliant with the global code of conduct or other standard for conduct, they are required to report such incidents to Nissan's Audit Committee.

c. In addition, the Company's Directors (excluding Audit Committee members), Executive Officers and employees are required to make an ad-hoc report to the Company's Audit Committee regarding the situation of business activities when so requested.

d. The internal audit department reports on an on-going basis to the Company's Audit Committee matters such as its risk based internal audit plan and audit findings identified through the internal audits performed.

(B) Systems for Directors, Statutory Auditors, other officers and employees of the group companies and those who received a report from the group companies to report business issues to the Company's Audit Committee

a. The Company's Audit Committee shall have periodic meetings of group companies' statutory auditors to share information and exchange opinions for the purpose of ensuring effective auditing of group companies and group companies' Statutory Auditors report the matters which could affect the entire group and other matters to the Company's Audit Committee.

b. Directors and employees of the group companies shall promptly make a report to the Company's Audit Committee regarding the situation of business activities when so requested by the Company's Audit Committee.

c. The Company's Directors (excluding Audit Committee members), Executive Officers and employees (including, those in the internal audit department), as stated in (A) of this Section, shall report to the Company's Audit Committee the business activities of each group company reported through the systems mentioned in Section v) above.

(C) Systems to ensure to prevent disadvantageous treatment of those who made a report as stated in (A) and (B) above on the basis of making such report

The Company prohibits disadvantageous treatment of those who made a report as stated in i) and ii) above on the basis of making such report. The Company takes the necessary measures to protect those who made such report and takes strict actions, including, disciplinary actions, against Directors and employees of the Company and its group companies who gave disadvantageous treatment to those who made such report.

viii) Policy for payment of expenses or debt with respect to the Company's Audit Committee members' execution of their duties, including the procedures of advancement or reimbursement of expenses

In accordance with Corporate Law, the Company promptly makes advance payment of expenses or makes payment of debt with regard to the Company's Audit Committee members' execution of their duties if so requested by the Audit Committee except where it proves that the expense or debt relating to such request is not necessary for the execution of the duties of the Audit Committee member. Every year the Company establishes a budget with regard to the Company's Audit Committee memebers' execution of their duties for the amounts deemed necessary.

ix) Systems to ensure effective and valid auditing by the Company's Audit Committee

a. The Company's Audit Committee enhances its independence by appointing Independent Outside Directors for the majority of its members and for its chair. Further, in order to ensure that the audit by the Audit Committee is being carried out effectively, the Audit Committee appoints one or more full-time member of the Audit Committee.

b. The Audit Committee shall, as necessary, cooperate with the internal audit department and accounting auditor upon conducting the Audit Committee's audits. The Audit Committee shall take charge of the department for internal audit and instruct the internal audit department with regard to auditing. The internal audit department obtains approval from the Audit Committee regarding basic policy of the internal audit and, annual plans, budgets and personnel plans for internal audits, and will report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. Approval of the Audit Committee shall be obtained for appointment/removal and performance assessment (incl. discipline) of persons responsible for the internal audit department.

c. The Audit Committee shall have meetings periodically or upon request from the Audit Committee with Executive Officers (including the President and Chief Executive Officer) and exchange views and opinions.

d. Audit Committee members may attend important meetings, etc. and state his/her opinions and further, may view documents giving approval and other important documents and may request, as necessary, explanations and reports from Executive Officers and employees.

e. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee if necessary, such as by exchanging information and opinions mutually.

2. Outline of the limited liability contract (Agreement set forth in Article 427, Paragraph 1, of the Corporate Law)

The Company's articles of association stipulates that the Company may enter into the agreement with Directors (excluding Executive Directors and the like) limiting their liability as prescribed in Article 423, Paragraph 1 of the Corporate Law and, pursuant to the said agreement, the liability limit shall be ¥5 million or the statutory minimum, whichever is higher. According to this Article, the Company entered into the said agreement with Seven (7) Directors (excluding Executive Directors and the like).

(2) Members of the Board of Directors and Executive Officers

1) List of executives

15 males, 3 females (female ratio of 17%), 11 Japanese, 7 Foreigners.

a. Directors

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Director	Keiko Ihara	July 4, 1973	2013 January 2013 April 2015 April 2015 July 2015 September 2016 June 2018 June	Fédération Internationale de l'Automobile (FIA) Asian representative for the Women in Motorsports Commission and female representative for the FIA Drivers Commission Special Guest Associate Professor at Keio University Graduate School of Media Design Member of Industrial Structure Council (Development Committee for 2020 and Beyond), Japan Ministry of Economy, Trade and Industry Member of Japan House Advisory Board, Japan Ministry of Foreign Affairs Guest Associate Professor at Keio University Graduate School of Media Design (Current position) Outside Director of SOFT99 corporation (Current position) Director of the Company (Current position)	One year from June 2019	2
Director	Masakazu Toyoda	June 28, 1949	1973 April 2003 August 2006 July 2007 July 2008 August 2008 November 2010 July 2011 June 2015 March 2018 June	Joined Ministry of International Trade and Industry Director-General, Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry (METI) Director-General, Trade Policy Bureau, METI Vice-Minister for International Affairs, METI Secretary-General, The Cabinet Secretariat’s Strategic Headquarters for Space Policy Special Advisor to the Cabinet Chairman & CEO, Institute of Energy Economics, Japan (Current position) Outside Auditor of Nitto Denko Corporation (Current position) Outside Director of CANON ELECTRONICS INC. (Current position) Director of the Company (Current position)	One year from June 2019	1
Director	Bernard Delmas	April 21, 1954	1979 May 1995 September 2007 September 2009 October 2015 June 2015 November 2016 November 2018 February 2019 June	Joined Michelin President of Michelin Research Asia President and CEO of Nihon Michelin Tire Co. Ltd. President and CEO of Michelin Korea Tire Co. Senior Vice President of Michelin Group Outside Director of Ichikoh Industries, Ltd. (Current position) Chairman of the Board of Nihon Michelin Tire Co. Ltd. Chairman of Nihon Michelin Tire Co. Ltd. Senior Advisor of Michelin Group (Current position) Director of the Company (Current position)	One year from June 2019	—
Director	Andrew House	January 23, 1965	1990 October 2005 October 2011 September 2016 April 2017 October 2018 April 2018 October 2019 June	Joined Sony Corporation Group Executive and Chief Marketing Officer of Sony Corporation Group Executive, President and Global CEO of Sony Computer Entertainment EVP, President and Global CEO of Sony Interactive Entertainment EVP and Chairman of Sony Interactive Entertainment Strategic Advisor of Intelity (Current position) Executive Mentor of Merryck & Co., Ltd. (Current position) Director of the Company (Current position)	One year from June 2019	—

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director	Yasushi Kimura	February 28, 1948	1970	April	Joined Nippon Oil Corporation	One year from June 2019	—
			2002	June	Director of Nippon Oil Corporation		
			2007	June	Director, Senior Vice President of Nippon Oil Corporation		
			2010	April	Director of JX Holdings, Inc.		
			2010	July	President of JX Nippon Oil & Energy Corporation		
			2012	May	Chairman of Petroleum Association of Japan		
			2012	June	Chairman of the Board of JX Holdings, Inc. Chairman of the Board of JX Nippon Oil & Energy Corporation		
			2014	June	Director of NIPPO Corporation Vice Chairman of Japan Business Federation		
			2017	April	Chairman of JXTG Holdings, Inc.		
			2018	June	Senior Executive Advisor of JXTG Holdings, Inc. (Current position)		
			2019	June	Director of the Company (Current position) Outside Director of INPEX CORPORATION (Current position)		
Director	Motoo Nagai	March 4, 1954	1977	April	Joined The Industrial Bank of Japan, Limited	One year from June 2019	10
			2005	April	Executive Officer of Mizuho Corporate Bank, Ltd.		
			2007	April	Managing Executive Officer of Mizuho Corporate Bank, Ltd.		
			2011	April	Deputy President (Executive Officer) of Mizuho Trust & Banking Co., Ltd.		
			2011	June	Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd.		
			2014	June	Statutory Auditor of the Company		
			2019	June	Director of the Company (Current position)		
Director	Jenifer Rogers	June 22, 1963	1989	September	Joined Haight Gardner Poor & Havens	One year from June 2019	—
			1990	December	Registered as Attorney at Law admitted in New York		
			1991	February	Joined The Industrial Bank of Japan, Limited		
			1994	December	Joined Merrill Lynch Japan Securities Co., Ltd.		
			2000	November	Merrill Lynch Europe Plc		
			2006	July	Bank of America Merrill Lynch (Hong Kong)		
			2012	November	General Counsel Asia of Asurion Japan Holdings G.K. (Current position)		
			2015	June	Outside Director of Mitsui & Co., Ltd. (Current position)		
			2018	June	Outside Director of Kawasaki Heavy Industries, Ltd. (Current position)		
			2019	June	Director of the Company (Current position)		
Director	Thierry Bolloré	May 30, 1963	1989	September	Joined Michelin Group	One year from June 2019	—
			2005	July	Joined Faurecia		
			2012	September	Joined Renault		
			2013	September	Chief Competitive Officer of Renault		
			2018	February	Chief Operating Officer of Renault		
			2018	November	Deputy Chief Executive Officer of Renault		
			2019	January	Chief Executive Officer of Renault (Current position)		
			2019	June	Director of the Company (Current position)		
Director	Jean-Dominique Senard	March 7, 1953	1996	October	Chief Financial Officer of Pechiney and a member of its Group Executive Council	One year from June 2019	—
			2005	March	Chief Financial Officer of Michelin and a member of the Michelin Group Executive Council		
			2007	May	Managing Partner of the Michelin Group		
			2011	May	Managing General Partner of the Michelin Group		
			2012	May	Chief Executive Officer of the Michelin Group		
			2019	January	Chairman of the Board of Directors of Renault (Current position)		
			2019	April	Director of the Company (Current position)		

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Director	Hiroto Saikawa	November 14, 1953	1977 April 2000 October 2003 April 2005 April 2005 June 2013 April 2014 April 2015 June 2016 November 2017 April 2019 June	Joined the Company General Manager of Purchasing Strategy Dept. of the Company Senior Vice President of the Company Executive Vice President of the Company Director and Executive Vice President of the Company Director, Executive Vice President and CCO of the Company Director and CCO of the Company Director, Vice Chairman and CCO of the Company Co-CEO of the Company Director, President and CEO of the Company Director, Representative Executive Officer, President and CEO (Current position)	One year from June 2019	60
Director	Yasuhiro Yamauchi	February 2, 1956	1981 April 2003 April 2006 April 2008 April 2015 July 2016 November 2019 May 2019 June	Joined the Company General Manager of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company CCO of the Company COO of the Company Director, Representative Executive Officer, COO (Current position)	One year from June 2019	22
Total						95

Notes: 1. As a resolution on the amendments to the Articles of Incorporation was adopted by the annual general meeting of the shareholders held on June 25, 2019, the Company changed its corporate structure to a company with nominating committee on the same date.
2. Keiko Ihara, Masakazu Toyoda, Bernard Delmas, Andrew House, Yasushi Kimura, Motoo Nagai and Jenifer Rogers are outside directors of the Company.
3. The term of office of the Directors shall be from the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2019, to the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2020.

b. Executive Officers

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Representative Executive Officer, President and Chief Executive Officer	Hiroto Saikawa	November 14, 1953	*Please see a. Directors		One year from June 2019	60
Representative Executive Officer, Chief Operating Officer	Yasuhiro Yamauchi	February 2, 1956	*Please see a. Directors		One year from June 2019	22
Executive Officer, Vice-Chief Operating Officer / Chief Quality Officer	Christian Vandenhende	August 30, 1961	1985 November 1999 October 2003 September 2009 March 2015 January 2018 April 2019 May 2019 June	Engineer of Saint Gobain- Glass Fiber GM of Renault VP of Renault SVP of Renault, Chairman and Managing Director of RNPO (Renault-Nissan Purchasing Organization) EVP of Renault CQO, Executive Vice President of the Company Vice-COO / CQO of the Company Executive Officer, Vice-COO / CQO of the Company (Current position)	One year from June 2019	—

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Executive Officer, Chief Planning Officer	Philippe Klein	August 23, 1957	1981 August 1997 October 1999 September 2003 June 2005 March 2006 April 2007 April 2008 September 2014 September 2019 June	Joined Renault Director of Renault VP of the Company VP of Renault SVP of Renault The member of the Board, AB Volvo Senior Vice President of the Company EVP of Renault CPLO of the Company Executive Officer, CPLO of the Company (Current position)	One year from June 2019	14
Executive Officer, Chief Financial Officer	Hiroshi Karube	April 23, 1956	1980 April 2006 April 2010 April 2016 December 2018 April 2018 May 2019 June	Joined the Company General Manager of the Company Corporate Vice President of the Company Member of the Board, MITSUBISHI MOTORS CORPORATION (Current position) Senior Vice President of the Company CFO of the Company Executive Officer, CFO of the Company (Current position)	One year from June 2019	8
Executive Officer, Executive Vice President	Hideyuki Sakamoto	April 15, 1956	1980 April 2005 April 2008 April 2012 April 2014 April 2014 June 2019 June	Joined the Company Chief Vehicle Engineer of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Director, Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position) Member of the Board, MITSUBISHI MOTORS CORPORATION (Current position)	One year from June 2019	34
Executive Officer, Executive Vice President	Asako Hoshino	June 6, 1960	1983 April 1989 August 2001 April 2002 April 2006 April 2015 April 2019 May 2019 June	Joined Nippon Credit Bank, Co., Ltd. Senior Consultant of Marketing Intelligence Corporation Executive Director and Chief Marketing Officer of Marketing Intelligence Corporation Vice President of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position)	One year from June 2019	46
Executive Officer, Executive Vice President	Hitoshi Kawaguchi	August 23, 1953	1976 April 2001 January 2004 April 2005 April 2016 December 2019 May 2019 June	Joined the Company SVP of Nissan Europe N.V. President of Nissan Financial Services Co., Ltd. Senior Vice President of the Company Member of the Board, MITSUBISHI MOTORS CORPORATION (Current position) Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position)	One year from June 2019	6

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Executive Officer, Executive Vice President	Kunio Nakaguro	September 23, 1963	1987 April 2008 April 2009 April 2013 April 2014 February 2018 April 2019 May 2019 June	Joined the Company General Manager of the Company SVP of Nissan International SA Corporate Vice President of the Company SVP of Nissan North America, Inc. Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position)	One year from June 2019	—
Total						190

Notes: 1. The term of office of the Corporate Officers shall be from the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders held on June 25, 2019, to the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2020.

2. The Company sets up a Corporate Officer system in order to revitalize the Board of Directors by segregating decision-making and control functions from the executive functions and to enable capable individuals to be appointed based solely on their ability.

The number of Executive Officers and Corporate Officers is 47, consisting of 27 Japanese and 20 foreigners, of which 2 are women (female ratio of 4% of the executive offices and corporate officers), and including the 9 executive officers listed above Hiroto Saikawa, Yasuhiro Yamauchi, Christian Vandenhende, Philippe Klein, Hiroshi Karube, Hideyuki Sakamoto, Asako Hoshino, Hitoshi Kawaguchi and Kunio Nakaguro. The 38 other members are as follows: Tsuyoshi Yamaguchi (Executive Vice President); Takao Asami, Jun Seki, Jose Luis Valls, Takashi Hata, Rakesh Kochhar, Hari Nada, Noboru Tateishi, Alfonso Albaisa, Peyman Kargar, Gianluca De Ficchy, Atul Pasricha, Makoto Uchida, Yusuke Takahashi, Kent O'Hara, Seiji Honda, Roel De Vries and Leon Dorssers (Senior Vice Presidents); Joji Tagawa, Tony Laydon, Mitsuro Antoku, Toshihiro Hirai, Akihiro Otomo, Kinichi Tanuma, Haruhiko Yoshimura, Yukio Ito, Catherine Perez, Jose Roman, Carlos Servin, Tony Thomas, Eiichi Akashi, Ivan Espinosa, Shohei Yamazaki, Stephen Ma, Teiji Hirata, Mark Stout, Kazuhiko Murata and Takeshi Yamaguchi (Corporate Vice Presidents), and Haruyoshi Kumura and Shunichi Toyomasu as Fellows.

2) Status of Outside Directors

In order to secure a diversity of viewpoints, the Company considers the following factors upon deciding agenda items related to the appointment of Directors to be submitted to the general meeting of shareholders:
(a) Diversity (including diversity of nationality and gender); and
(b) Expertise and experience that will contribute to discussions by the Board of Directors, and diversity thereof.
In addition, taking into account the trends of independence standards in Japan and international capital markets, the Company set forth Independence Standards for Outside Directors. Currently, seven (7) Outside Directors satisfy such Independence Standards, and the Company has determined that there is no risk of a conflict of interest with ordinary shareholders.

The Company appointed each Outside Director in accordance with the reasons described below.
Outside Director Keiko Ihara has participated in various international races as a driver, and contributed to the development of the auto industry by supporting various global automakers with efforts including technology development and branding, infrastructure development for electric vehicles in Japan and MaaS (mobility as a service) research at Keio University's graduate school. She also advises international organizations and publicly-listed Japanese companies in the areas of governance, safety, environment and education. She has played a key role in addressing improvements in the Company's governance and led the Provisional Nomination and Compensation Committee during her previous term. The Company appointed Keiko Ihara as Outside Director on the basis that she is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Masakazu Toyoda has held prominent positions, including Vice-Minister for International Affairs of METI, and Special Advisor to the Cabinet Secretariat. He has extensive experience in economics, international trade and energy. He has been instrumental in leading governance improvements within the Company during his previous term and led the Independent Director Committee. The Company appointed Masakazu Toyoda as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above, although he has not been involved in corporate management, other than as an Outside Director or Outside Statutory Auditor.
Outside Director Bernard Delmas has extensive international experience in the automotive industry with a focus on Asian markets and Japan. He is skilled in R&D, business planning, and cross-functional team leadership. His experience in European-owned companies will bring a diverse perspective to the Company. The Company appointed Bernard Delmas as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Andrew House has international business management experience, as well as understanding of customer needs in consumer products and emerging technologies through key roles in global companies. Having worked both inside and outside of Outside Japan, he has an excellent cross-cultural perspective. He will bring a diverse perspective that he has gained from his industry background. The Company appointed Andrew House as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Yasushi Kimura has experience serving in top management roles in a key industry in Japan. He also has deep insight and a wealth of experience in corporate management, as well as and leadership experience from his tenure at the Japan Business Federation (Keidanren) and in the capacity as Chairman of the Petroleum Association of Japan (PAJ). The Company appointed Yasushi Kimura as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.

Outside Director Motoo Nagai has strong experience and insight in on risk management gained through executive leadership positions that he held at institutions including Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) and Mizuho Trust & Banking Co., Ltd. Considering his service as full-time Statutory Auditor since 2014 and his wealth of management experience in the Company, the Company believes that his experience and expert knowledge will enhance its compliance and governance. The Company appointed Motoo Nagai as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Jenifer Rogers has ample legal, compliance and risk management expertise. She comes with solid board experience at globally-operating Japanese corporations, and experience as an in-house lawyer and head of a range of legal functions at international financial institutions. Her board presence brings important diversity to the Company's Board of Directors in terms of gender, business experience and nationality. The Company appointed Jenifer Rogers as Outside Director on the basis that she is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.

The Company set forth the following Independence Standards for Outside Directors.

- Nissan Motor Company Director Independence Standards -

In order for an outside director of Nissan Motor Company (the "Company") to qualify as an independent director, he or she must not fall into any of the following categories:

1. A person who is, or has been within the past 10 years, an executive director, executive officer (shikko-yaku), corporate officer (shikko-yakuin), general manager (shihai-nin) or any other officer or employee (collectively, including similar positions for foreign corporate persons, "Executive(s)") of the Company or its subsidiary.
2. A person (i) who is a Major Shareholder (Note 1), or (ii) who is, or has been within the past 5 years, a director, statutory auditor (kansa-yaku), statutory accounting advisor (kaikei-sanyo) or Executive of a company that is a Major Shareholder or a parent company or subsidiary of a Major Shareholder.
3. A person who is a director, statutory auditor, statutory accounting advisor or Executive of a company of which the Company is a Major Shareholder.
4. A person (i) who is a Major Business Partner (Note 2), or (ii) who is, or has been within the past 5 years, a major shareholder, major member, major partner or Executive of a company that is a Major Business Partner or a parent company or subsidiary of a Major Business Partner.
5. A person who is an Executive of an organization that received from the Company and its subsidiaries donations and contributions exceeding, on an annual average basis for the last 3 fiscal years, the larger of (i) JPY 10 million or (ii) 30% of the annual average total expenses of such organization.
6. A person who is a director, statutory auditor, statutory accounting advisor or Executive of (i) a company that has a director (including non-executive director) who was seconded from the Company or its subsidiary or (ii) the parent company or subsidiary of such company.
7. A person (i) who is a Major Creditor (Note 3), or (ii) who is, or has been within the past 5 years, a director, statutory auditor, statutory accounting advisor or Executive of a company that is a Major Creditor or a parent company or subsidiary of a Major Creditor.
8. A person who is, or has been within the past 3 years, (i) a certified public accountant or tax attorney appointed as an accounting auditor (kaikei-kansa-nin) or statutory accounting advisor of the Company or its subsidiary or (ii) a member, partner or any other Executive of an accounting firm or tax firm appointed as an accounting auditor or statutory accounting advisor of the Company or its subsidiary.
9. A person who does not fall under Item 8(i) above but is an attorney, certified public accountant, tax attorney or any other type of consultant who has received from the Company and its subsidiaries, except for remuneration for serving as director, statutory auditor, statutory accounting auditor or statutory accounting advisor, economic benefits exceeding, on an annual average basis for the last 3 fiscal years, JPY 10 million.
10. A person who is a member, partner or any other Executive of an accounting firm, tax firm, consulting firm or any other type of professional advisory service firm that does not fall under Item 8(ii) above but has received from the Company and its subsidiaries payments equivalent to at least 2% of consolidated gross annual revenue of such firm on an annual average basis for the last 3 fiscal years.
11. A person who is the spouse or family member within the second degree (as defined under Japanese law) or a cohabiting family member of a person falling into any of the above categories (provided, however, that for purposes of this Item 11, "Executive" in each of the above categories should be read as "executive director, executive officer, corporate officer, or any other officer who has similar important position).
12. A person who has served as director (including as independent director) of the Company for more than 6 years.
13. A person who otherwise may consistently have substantial conflicts of interest with all shareholders (including minority shareholders) of the Company.

Note 1: A "Major Shareholder" means a shareholder that owns, directly or indirectly, 10% or more of the voting rights in the Company.

Note 2: A “Major Business Partner” means (i) a business partner that received, on a consolidated basis of the corporate group to which it belongs, for any of the last 4 fiscal years, payments from the Company and its subsidiaries of: (x) if such business partner is an individual, 2% or more of his/her total annual revenue; or (y) if such business partner is a company or any other form of corporate person, 2% or more of that fiscal year’s consolidated gross annual revenue of such company and (ii) a business partner that paid, on a consolidated basis of the corporate group to which it belongs, to the Company and its subsidiaries 2% or more of that fiscal year’s consolidated gross annual sales of the Company.

Note 3: A “Major Creditor” means a creditor that provides indispensable funding for the Company and on which the Company is so dependent that it is unable to find an alternative.

3) Monitoring, auditing, and internal auditing by outside directors and outside corporate auditors; cooperation with audits conducted by corporate auditors and accounting audits and relationships with internal control departments

The Independent Outside Directors shall lead the Company’s Board of Directors which decide the basic direction of management into account and plays the role of supervising the Executive Directors. The Audit Committee takes charge of the department for internal audit and instruct the department for internal audit with regard to auditing, and the department for internal audit shall report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. The Statutory Auditors receive similar reports from the Independent Auditor, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level.

(3) Status of Audit

1) Corporate audits by the Statutory Auditors

For the audits for the current fiscal year, each Statutory Auditor oversees the execution of duties of the respective Directors in compliance with the Company's audit standards and guidelines as stipulated by the Board of Statutory Auditors. In addition, the Company has set up the Statutory Auditors' Office, the staff of which assists the Statutory Auditors in conducting their duties. The Statutory Auditors oversee the execution of the Directors' duties by attending the Board of Directors' meetings and other significant meetings and conducting interviews with the Directors on their business reports regularly and whenever necessary. The Statutory Auditors also meet regularly with the Representative Directors to exchange opinions on wide range of issues. The Board of Statutory Auditors endeavors to enhance audit efficiency by sharing information among the Statutory Auditors. The Statutory Auditors also receive regular reports on the results of inspections and audit plans from, and exchange opinions with, the internal audit department. Such information is taken into consideration for statutory audits. In addition, the Statutory Auditors receive similar reports from the Independent Auditor, as well as detailed explanations on the status of the quality control of internal audits, to confirm whether their oversight is at a suitable level. There is no difference or distinction between Outside Statutory Auditors and other Statutory Auditors with regard to the auditing system of Statutory Auditors and their mutual collaboration with relevant internal control departments and the Independent Auditor.

The Outside Statutory Auditors, Motoo Nagai, Tetsunobu Ikeda and Shigetoshi Andoh, have years of experience of working for a financial institutions, and have extensive knowledge of finance and accounting.

2) Internal audits

The Company has the global internal audit function (19 persons in the Company and approximately 100 persons globally), an independent group, to handle internal auditing tasks. Under the control of the Chief Internal Audit Officer, audit teams set up in each region carry out efficient, effective auditing of the Company's activities on a group-wide and global basis.

Audits are conducted based on the audit plans, which have been approved by the Executive Committee, and the audit results are reported to the relevant corporate officers related to the audits. The audit results are regularly reported to the Statutory Auditors.

3) Audits of financial statements

a. Name of auditing firm

Ernst & Young ShinNihon LLC

b. Certified Public Accountants engaged in the financial statements audit

The Company appoints Ernst & Young ShinNihon LLC as its Independent Auditor. The Certified Public Accountants engaged in the auditing and attestation of financial statements are as follows:

The name of the Certified Public Accountants engaged in the financial statement audit	
Designated Liability-Limited and Engagement Partner	Koki Ito
Designated Liability-Limited and Engagement Partner	Takeshi Hori
Designated Liability-Limited and Engagement Partner	Koji Fujima
Designated Liability-Limited and Engagement Partner	Masao Yamamoto

※As the years of continuous service in audit are less than seven years for all the Certified Public Accountants, the relevant statement is omitted.

※Ernst & Young ShinNihon LLC has taken its own autonomous measures so that each Engagement Partner is not involved in the audit of the Company's financial statements for a period exceeding a predetermined tenure.

c. Composition of assistants involved in the audit

Assistants to the audit of the financial statements consisted of 35 Certified Public Accountants and 70 others, including successful applicants who have passed the Certified Public Accountants examination and system specialists.

d. Policy and reason for designating the Independent Auditor

(Policy for designating the Independent Auditor)

At the Company, the Board of Statutory Auditors designates the Independent Auditor from among the candidate auditing firms by examining each candidate's corporate summary, audit team structure, capacity to respond to the Company's global business and other factors, in accordance with the "Standard regarding Evaluation, etc.,* of the Independent Auditor (Resolution at the Board of Statutory Auditors)."

*"Evaluation, etc.," includes designation.

(Policy on decisions on dismissal or non-reappointment of the Independent Auditor)
The Board of Statutory Auditors shall, upon receiving consent from all of the Statutory Auditors, dismiss the Independent Auditor if it determines that any of the items set forth in Article 340, Paragraph 1 of the Corporate Law are applicable. In addition, if the Company determines that the appropriate execution of duties by the Independent Auditor is not ensured from the viewpoint of independence and expertise or otherwise, the Board of Statutory Auditors shall decide the content of the proposal for the dismissal or non-reappointment of the Independent Auditor to be submitted to a general shareholders' meeting. The Board of Directors shall then submit the proposal to the general shareholders' meeting based on the decision of the Board of Statutory Auditors.

e. Evaluation of the Independent Auditor by the respective Statutory Auditors and the Board of Statutory Auditors
The Statutory Auditors and the Board of Statutory Auditors, both conduct their evaluations of the Independent Auditor in accordance with the "Standard regarding Evaluation, etc., of the Independent Auditor (Resolution at the Board of Statutory Auditors)." They therefore evaluated and deliberated on the audit activities performed by the current auditing firm (Ernst & Young ShinNihon LLC). As a result, in view of its response to the global business of the Company, as well as its skills and expertise, the Company has decided to reappoint Ernst & Young ShinNihon LLC as its Independent Auditor.

4) Content of the audit fee
The Company applies transitional measures to the provisions of "Notes (56) d (f) i) through iii) stated in Form 2" under the revised "Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc." pursuant to the "Cabinet Office Ordinance for Partial Amendments to the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc." (Cabinet Office Ordinance No. 3 of January 31, 2019).

a. Content of the remuneration to the Certified Public Accountants engaged in the financial statements audit

(Millions of yen)

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation	Remuneration to be paid for non-audit services	Remuneration to be paid for auditing and attestation	Remuneration to be paid for non-audit services
The Company	520	4	614	24
Consolidated subsidiaries	254	18	250	18
Total	774	22	864	42

The Company pays remuneration for non-audit services provided by the Certified Public Accountants regarding the preparation of comfort letters for the issuance of bonds and so forth.

b. Content of other important remuneration

(Prior fiscal year)
Several overseas consolidated subsidiaries paid a total of ¥2,087 million as the remuneration to be paid for auditing and attestation and ¥362 million as the remuneration to be paid for non-audit services to respective Ernst & Young auditing firms that belong to the global Ernst & Young network, of which Ernst & Young ShinNihon LLC is a group member.

(Current fiscal year)
Several overseas consolidated subsidiaries paid a total of ¥1,855 million as the remuneration to be paid for auditing and attestation and ¥568 million as the remuneration to be paid for non-audit services to respective Ernst & Young auditing firms that belong to the global Ernst & Young network, of which Ernst & Young ShinNihon LLC is a group member.

c. Policy on determining the audit fee
The audit fee is appropriately determined, with the consent of the Board of Statutory Auditors and in order to maintain the independence of the Certified Public Accountants engaged in the financial statements audit, with due consideration for the audit plan, audit scope, the time necessary for the audit and so forth.

d. Reasons why the Board of Statutory Auditors has consented to remuneration for the Independent Auditor
The reasons why the Board of Statutory Auditors of the Company has given consent, pursuant to Article 399, Paragraph 1 of the Corporate Law, to remuneration for the Independent Auditor are as follows: The Board of Statutory Auditors determined that the remuneration to the Independent Auditor is appropriate as a result of its detailed examination of the content of the audit plan, the status of duties performed by the Independent Auditor in the prior fiscal year, the grounds for calculating the estimate of remuneration and so forth, with reference to the necessary data and materials obtained and/or reported from internal divisions/departments involved and the Independent Auditor.

(4) Compensation paid to Directors and Statutory Auditors

The compensation paid to the Company's Directors in FY 2018 consisted of two forms of cash remuneration, which are described in further detail in the paragraph titled <Types of Remuneration> below. The aggregate cash remuneration payable to the Company's Directors is limited to a maximum of ¥2,990 million per annum as was resolved at the 109th annual shareholders' meeting held on June 25, 2008. The amount of compensation to be allocated to each Director is determined as a function of the Director's contributions to the Company's performance.

The aggregate cash remuneration payable to the Company's Statutory Auditors is limited to a maximum of ¥220 million per annum as was resolved at the 117th annual shareholders' meeting held on June 22, 2016. This compensation is designed to promote stable and transparent auditing.

<Types of remuneration>

In general, a Director's compensation may consist of a combination of (1) a fixed annual basic salary determined in relation to the Director's role and the responsibility and (2) a variable compensation component determined in relation to the Company's achievement of its major goals in each fiscal year. However, the variable compensation is only paid to the Directors who concurrently serve as Corporate Officers of the Company, and not for the Outside Directors.

The compensation payable to a Statutory Auditor consists only of an annual basic salary, the amount of which is determined in consultation with the Statutory Auditors as a group.

<Determining the amounts of annual basic salaries >

The annual basic salary payable to each Executive Director is determined based on the Director's contribution to the Company's performance, as well as with reference to regular executive compensation benchmarking reports prepared by the Company's compensation consultant, Willis Towers Watson, using a peer group of large multi-national companies.

<Determining the amounts of performance-linked compensation>

The Company uses financial data of its consolidated operating profit, free cash flow and consolidated revenue based on the proportionate consolidation of the Chinese joint venture as the Group's KPI for managerial purpose considering China as one of the most important markets in the global automotive industry today. To determine an Director's variable compensation, the Company uses a formula based on its performance in the categories of such consolidated operating profit, free cash flows and consolidated sales, and quality. These four categories were selected because they are drivers contributing to the Company's "sustainable growth".

Each of the four categories has been assigned a weighted ratio, the sum of all of which equals 100%. Each category is also broken down into two target thresholds, the "commitment" and the "target." The first "commitment" threshold is the goal the Company believes needs to be achieved from the perspective of sustainability. The higher "target" threshold is the goal that the Company believes is needed from a business growth perspective. With respect to the three financial categories included in the variable compensation formula, the Company uses financial figures that reflect the impacts of exchange rate fluctuations.

As for the Company's consolidated operating profit, the FY 2018 "commitment" was set at ¥660 billion and the FY 2018 "target" was set at ¥750 billion. The Company's actual consolidated operating profit was ¥493 billion, resulting in an achievement rate of 0%. As for the Company's free cash flows, the FY 2018 "commitment" was set at ¥250 billion and the FY 2018 "target" was set at ¥320 billion. The Company's actual free cash flows were ¥260.4 billion, resulting in an achievement rate of 57%. As for the Company's consolidated sales, the FY 2018 "commitment" was set at ¥13,071 billion and the FY 2018 "target" was set at ¥13,658 billion. The actual consolidated sales of the Company totaled ¥12,969 billion in FY 2018, resulting in an achievement rate of 0%. As for the quality factor, the Company's internal management goals of the FY2018 "commitment" and "target", which consisted of quality assurance and customer satisfaction consideration, were achieved, resulting in an achievement rate of 100%. The Company's overall achievement based on these factors resulted in a weighted average achievement ratio of 35%. The amount of performance-linked compensation for each Director was calculated by multiplying the Director's annual basic salary by this weighted average achievement ratio and a separate multiplier determined based on the Director's title.

The Company's Directors are eligible to receive share appreciation rights, which are a performance-linked incentives granted pursuant to the Company's share appreciation rights plan. No share appreciation rights were granted to the Directors in this fiscal year.

<Total Amount Disclosure by Category of Executives, Total Amount Disclosure by Type of Remuneration and the Number of Executives>

(Millions of yen)

Category of Executives	Total Amount of Compensation	Total of Annual Basic Salary and FY18 Variable Compensation (Note 1)	Breakdown of Total Amount of Compensation						Number of Executives
			Annual Basic Salary	FY18 Variable Compensation (Note 2)	FY17 Variable Compensation (Note 3)	Other Cash Compensation	Share Appreciation Rights (fair value at the time the number of exercisable SARs was fixed)	Share Appreciation Rights (the difference between the amount received upon exercise and the amount disclosed in a previous year) (Note 4)	
Directors (excluding Outside Directors)	2,586	1,980	1,966	14	315	158	—	133	8
Statutory Auditors (excluding Outside Statutory Auditors)	83	83	83	—	—	—	—	—	2
Outside Directors and Outside Statutory Auditors	130	127	127	—	—	3	—	—	7

Notes:1. This amount is the sum of: (i) the amount of the annual basic salary and (ii) the amount of performance-linked compensation based on FY2018 performance that will be paid in FY2019.

2. This is the amount of performance-linked compensation based on FY2018 performance that will be paid in FY2019.

3. This is the amount of performance-linked compensation based on FY2017 that was paid in FY2018. The Company discloses this amount in the annual securities report pertaining to FY2018 because the amounts to be paid to the relevant directors became certain in July 2018.

4. This notes the difference between (i) the total monetary amount received by the relevant Executive from the Company during this fiscal year upon the exercise of SARs granted in previous fiscal years and (ii) the total fair value of such exercised SARs as disclosed in the corresponding prior annual securities reports based on then-current share prices. When the annual securities reports for prior fiscal years did not disclose the fair value (i.e., the amount of (ii) above), the amount of such fair value has not been subtracted.

5. In addition to the above, the Company paid ¥56 million to a Statutory Auditor who resigned during this fiscal year as retirement allowance based upon the resolution of the 108th Ordinary General Meeting of Shareholders held on June 20, 2007.

<Individual Disclosure for Executives whose Compensation is at or exceeds ¥100 million>

(Millions of yen)

Name	Category of Executives	Name of Entity	Total Amount of Compensation	Total of Annual Basic Salary and FY18 Variable Compensation	Breakdown of Total Amount of Compensation					
					Annual Basic Salary	FY18 Variable Compensation	FY17 Variable Compensation	Other Cash Compensation	Share Appreciation Rights (fair value at the time the number of exercisable SARs was fixed)	Share Appreciation Rights (the difference between the amount received upon exercise and the amount disclosed in a previous year)
Carlos Ghosn	Director	NML	1,652	1,647	1,647 (Note 1)	—	—	5 (Note 2)	—	—
Hiroto Saikawa	Director	NML	404 (Note 3)	154	154	—	250	—	—	—
Toshiyuki Shiga	Director	NML	161	25	25	—	—	3	—	133
Kimiyasu Nakamura	Director	NML	178	12	12	—	26	140	—	—

Notes:1. Based on the decision-making authority granted to the Director Chairman of the Company by the Board of the Company to allocate the pool of Director compensation the relevant Director's cash compensation was originally fixed at ¥2,544 million (hereinafter the "Fixed Ghosn Compensation" in this Note). This is fixed-amount compensation that includes bonus. On November 22, 2018, the Company discharged Mr. Ghosn as Chairman of the Board and as a Representative Director. In consideration of Mr. Ghosn's discharge, the Company reduced the portion of the Fixed Ghosn Compensation pertaining to the period from November 23, 2018 through the end of FY2018 to an amount equivalent to the compensation paid to another part-time Director of the Company who previously served as a member of the Company's management. The amount of Mr. Ghosn's cash compensation after such reduction is ¥1,647 million. This amount is disclosed in the "Annual Basic Salary" column. This amount is the sum of the following amounts:
   (i) ¥410 million paid from the Company to the relevant Director; and
   (ii) ¥1,237 million that has been deferred and not yet paid to the relevant Director.
2. This is the amount paid from the Company's consolidated subsidiary, Nissan International Holdings B.V., to the relevant Director.
3. In consideration of the discovery of nonconforming final vehicle inspections at the Company's plants, and in light of issues caused by acts of misconduct led by the Company's former Director Chairman, etc., the relevant Director has declined to accept a portion of his compensation. This amount reflects the relevant Director's compensation after a reduction that was made based on such declination.
4. The Company has confirmed it will not pay the following amounts to Mr. Ghosn, which were disclosed in previous years:
   (i) The Company will not pay any amount to Mr. Ghosn as a retirement allowance based upon the resolution of General Meeting of Shareholders held on June 20, 2007. The amount that will not be paid to Mr. Ghosn accounts for ¥4,444 million of the unpaid amounts accrued as other long-term liabilities in the Company's financial statements in previous years.
   (ii) The Company forfeited any and all SARs that had been granted to Mr. Ghosn that remained validly outstanding. The total fair value of such SARs that was previously disclosed as compensation is ¥2,271 million.

< The procedures to determine the amount of remuneration >

Previously, each Director's compensation was determined by the Director Chairman of the Company, in consultation with the other representative directors, based on the decision-making authority granted to him by the Board of the Company to allocate the pool of Director compensation. These determinations were made with reference to each Director's compensation contract(s), performance, and executive compensation benchmarking reports prepared by the Company's compensation consultant. As a result of serious misconduct led by the Company's former Director Chairman Carlos Ghosn, etc., the Company has revoked the Director Chairman's decision-making authority to allocate Director compensation. Since then, the allocation of Director compensation requires the approval of the Board of the Company after validation by the independent director committee composed of its external Directors. The Company changed its governance system to be a "Company with Nominating Committee, etc." on June 25, 2019. Performance-linked variable compensation during FY 2018 was determined by the Company's compensation committee.

As a result of issues caused by acts of misconduct led by the Company's former Director Chairman, etc., Mr. Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer of the Company, has declined to accept a portion of his compensation.

(5) Status of stocks held

1) Criteria and concept on stocks for investment

"Stocks for investment held for pure investment purpose," of which the major holding purpose is to gain benefits from fluctuations of the stock value or from the receipt of dividends, are classified as different from "Stocks for investment held for any purposes other than pure investment purpose." The Company does not hold any such stocks for investment held for pure investment purpose.

2) Stocks for investment held for any purposes other than pure investment purpose

a. Holding policy and the method to verify the reasonableness of the holding, as well as details of such verification by the Board of Directors or any other bodies concerning the appropriateness of the holding of the respective stocks

The Company's basic policy on crossholding of stocks is to limit its collaborative/cooperative relationship with counterparties to within a reasonable scope with the aim of achieving the Company's business advantages. The Board of Directors shall verify medium- to long-term crossholding-related benefits and/or risks to determine the appropriateness of the respective crossholdings by considering the nature and/or scale of the transaction and other factors. If a continued holding is determined to be inappropriate, its treatment shall be studied, including sell-off.

b. Number of stocks and total of the amounts recorded in the balance sheet

	Number of stocks	Total of the amounts recorded in the balance sheet (Millions of yen)
Unlisted stocks	35	26,842
Stocks other than unlisted stocks	4	108,539

(Stocks of which the number increased during the current fiscal year)

Not applicable.

(Stocks of which the number decreased during the current fiscal year)

Not applicable.

c. Information regarding the number of stocks, amounts recorded in the balance sheet, etc., by each stock for "Specific stocks for investment" and "Stocks subject to deemed holding"

Specific stocks for investment

Stocks	Current fiscal year	Prior fiscal year	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
	Number of shares held by the Company	Number of shares held by the Company		
	Amount recorded in the balance sheet (Millions of yen)	Amount recorded in the balance sheet (Millions of yen)		
Daimler AG	16,448,378	16,448,378	Held to maintain a strategic cooperative relationship of both companies such as joint development and complementary production. Although quantitative holding effects are difficult to identify, the Company considers that such investment is necessary to promote its business globally.	No (*)
	106,783	148,346		
Tan Chong Motor Holdings Berhad	37,333,324	37,333,324	Held to cooperate in production and sales in Asian countries. Although quantitative holding effects are difficult to identify, the Company considers that such investment is necessary to promote its business in Asian countries.	No
	1,530	1,725		
Star Flyer Inc.	60,000	60,000	Held to maintain a trade relationship for the Company's business in the Kyushu area. Although quantitative holding effects are difficult to identify, the Company considers that such investment is necessary from the perspective of the Company's sales policy.	No
	224	290		
MITSUBA Corporation	729	729	Stocks of less than a standard unit held when contributed to a retirement benefit trust. The holding purpose is as described in the "Stocks subject to deemed holding" table below.	Yes
	0	0		

Note: There are four (4) applicable specific stocks for investment inclusive of those for which the amount recorded in the balance sheet is less than one-hundredth (1/100) of common stock.
"Amount recorded in the balance sheet" of Tan Chong Motor Holdings Berhad and the following two (2) companies is less than one-hundredth (1/100) of common stock.

*As stated in "Principal shareholders," the Company's shares substantially held by Daimspain, S.L. are in custody of THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO. 1 on the shareholders' register.

Stocks subject to deemed holding

Stocks	Current fiscal year	Prior fiscal year	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
	Number of shares held by the Company	Number of shares held by the Company		
	Amount recorded in the balance sheet (Millions of yen)	Amount recorded in the balance sheet (Millions of yen)		
IBJ Leasing Company, Limited	1,750,000	1,750,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	No
	4,574	5,250		
MITSUBA Corporation	1,742,000	1,742,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	Yes
	1,083	2,381		

3) Stocks for investment held solely for investment purpose

Not applicable.

5. Financial Information

1. Basis of preparation of the consolidated financial statements and the non-consolidated financial statements

(1) The consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 28, 1976 "Regulations Concerning the Terminology, Forms and Preparation Methods of Consolidated Financial Statements" (hereinafter the "Regulations for Consolidated Financial Statements").

(2) The non-consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 59, 1963 "Regulations Concerning the Terminology, Forms and Preparation Methods of Non-Consolidated Financial Statements" (hereinafter the "Regulations for Non-Consolidated Financial Statements").
As the Company falls under the category of a company filing financial statements prepared in accordance with special provisions, the non-consolidated financial statements of the Company are prepared in accordance with Article 127 of the Regulations for Non-Consolidated Financial Statements.

2. Auditing and attestation

The consolidated and the non-consolidated financial statements for the fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019) were audited by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

3. Particular efforts to secure the appropriateness of the consolidated financial statements

(1) To ensure correct understanding of and to correspond appropriately to any changes in accounting standards, etc., the Company gathers information by acquiring membership in the Financial Accounting Standards Foundation and other means.

(2) To properly prepare consolidated financial statements and other documents according to the accounting principles generally accepted as fair and reasonable in Japan, the Company improves its internal regulations and ensures that these regulations are disseminated and observed.

(3) To prepare financial reports in accordance with the International Financial Reporting Standards (IFRSs), the Company has developed unified accounting standards for the Group for circulation among its consolidated companies and supplements these standards by providing information on important accounting matters that require particular attention. This information is accessible to said companies whenever necessary as a guide for preparing their financial reports. Currently, the Company's consolidated companies prepare their financial reports for consolidation in accordance with the IFRSs as part of the reports submitted to the Company. These reports are reviewed through analytical and other methods by the Company's accounting managers, who have specialized expertise on the IFRSs, and any reports found imperfect must be corrected and resubmitted.
The Group's unified accounting standards are regularly updated to reflect any relevant revisions to the IFRSs. In addition, the Company ensures that its consolidated companies are kept informed of such updates and, regarding particularly important revisions, prepares accounting instructions and educates the accounting personnel of the consolidated companies as needed. As a part of the activities, the accounting personnel participates IFRSs seminars organized by audit firms and other organizations, thereby accumulating specialized expertise within the Company.
The Company responds to the invitation for public comments on exposure drafts conducted by the International Accounting Standards Board (IASB) and attends the meetings of the Accounting Standards Board of Japan (ASBJ), thereby keeping on top of forthcoming revisions to the IFRSs. The Company's opinion from the viewpoint of a preparer of financial statements has contributed to the preparation, revision and global expansion of the IFRSs.

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheets

(Millions of yen)

		Prior fiscal year (As of March 31, 2018)		Current fiscal year (As of March 31, 2019)
Assets				
Current assets				
Cash on hand and in banks		1,134,838		1,219,588
Trade notes and accounts receivable		739,851		512,164
Sales finance receivables	※3,※6	7,634,756	※3,※6	7,665,603
Securities		71,200		139,470
Merchandise and finished goods		880,518		827,289
Work in process		91,813		64,386
Raw materials and supplies		318,218		366,248
Other	※6	775,771	※6	945,449
Allowance for doubtful accounts		(116,572)		(127,092)
Total current assets		11,530,393		11,613,105
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		600,675		590,717
Machinery, equipment and vehicles, net	※2	3,392,134	※2	3,436,437
Land		598,780		595,776
Construction in progress		209,237		233,070
Other, net		464,808		449,698
Total property, plant and equipment	※1,※3	5,265,634	※1,※3	5,305,698
Intangible fixed assets	※4	128,782	※4	134,471
Investments and other assets				
Investment securities	※5	1,264,532	※5	1,338,875
Long-term loans receivable		12,654		13,983
Net defined benefit assets		10,552		8,499
Deferred tax assets		321,426		326,759
Other		207,764		213,313
Allowance for doubtful accounts		(1,802)		(2,358)
Total investments and other assets		1,815,126		1,899,071
Total fixed assets		7,209,542		7,339,240
Total assets		18,739,935		18,952,345

(Millions of yen)

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

② Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

		Prior fiscal year (From April 1, 2017 To March 31, 2018)		Current fiscal year (From April 1, 2018 To March 31, 2019)
Net sales		11,951,169		11,574,247
Cost of sales	※1,※2	9,814,001	※1,※2	9,670,402
Gross profit		2,137,168		1,903,845
Selling, general and administrative expenses				
Advertising expenses		304,328		302,472
Service costs		74,569		146,851
Provision for warranty costs		122,135		122,818
Other selling expenses		251,593		221,536
Salaries and wages		410,156	※3	409,222
Retirement benefit expenses		17,883		19,105
Supplies		4,413		2,780
Depreciation and amortization		53,928		55,685
Provision for doubtful accounts		90,461		82,356
Amortization of goodwill		1,057		1,118
Other		231,885		221,678
Total selling, general and administrative expenses	※1	1,562,408	※1	1,585,621
Operating income		574,760		318,224
Non-operating income				
Interest income		21,092		30,206
Dividends income		6,663		8,132
Equity in earnings of affiliates		205,645		218,565
Derivative gain		—		24,751
Miscellaneous income		15,938		29,532
Total non-operating income		249,338		311,186
Non-operating expenses				
Interest expense		12,670		13,478
Derivative loss		5,001		—
Exchange loss		26,772		38,293
Credit liquidation costs		13,854		12,888
Miscellaneous expenses		15,499		18,253
Total non-operating expenses		73,796		82,912
Ordinary income		750,302		546,498

(Millions of yen)

		Prior fiscal year (From April 1, 2017 To March 31, 2018)		Current fiscal year (From April 1, 2018 To March 31, 2019)
Special gains				
Gain on sales of fixed assets	※4	10,408	※4	17,712
Gain on sales of business		—		7,993
Other		2,184		2,611
Total special gains		12,592		28,316
Special losses				
Loss on sales of fixed assets	※5	4,149	※5	2,960
Loss on disposal of fixed assets		10,644		15,941
Impairment loss	※6	16,166	※6	13,339
Compensation for suppliers and others		13,612		16,998
Special addition to retirement benefits		3,445		39,832
Expense for reorganization of sales business		—		4,027
Other		4,135		4,009
Total special losses		52,151		97,106
Income before income taxes		710,743		477,708
Income taxes-current		140,571		156,115
Income taxes-deferred		(193,485)		(20,322)
Total income taxes		(52,914)		135,793
Net income		763,657		341,915
Net income attributable to non-controlling interests		16,765		22,777
Net income attributable to owners of parent		746,892		319,138

Consolidated statements of comprehensive income

(Millions of yen)

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

③ Consolidated statements of changes in net assets

Prior fiscal year (From April 1, 2017 To March 31, 2018)

(Millions of yen)

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

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

Current fiscal year (From April 1, 2018 To March 31, 2019)

(Millions of yen)

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

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

④ Consolidated statements of cash flows

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Cash flows from operating activities		
Income before income taxes	710,743	477,708
Depreciation and amortization (for fixed assets excluding leased vehicles)	388,427	385,737
Depreciation and amortization (for long term prepaid expenses)	31,264	33,954
Depreciation and amortization (for leased vehicles)	469,540	479,850
Impairment loss	16,166	13,339
Increase (decrease) in allowance for doubtful receivables	12,558	3,028
Provision for residual value risk of leased vehicles (net changes)	40,716	31,828
Interest and dividends income	(27,755)	(38,338)
Interest expense	168,206	208,074
Equity in losses (earnings) of affiliates	(205,645)	(218,565)
Loss (gain) on sales of fixed assets	(6,259)	(14,752)
Loss on disposal of fixed assets	10,644	15,941
Loss (gain) on sales of investment securities	(53)	(1,483)
Decrease (increase) in trade notes and accounts receivable	73,149	228,010
Decrease (increase) in sales finance receivables	(530,842)	87,606
Decrease (increase) in inventories	9,612	13,098
Increase (decrease) in trade notes and accounts payable	108,330	(43,721)
Retirement benefit expenses	11,028	27,545
Payments related to net defined benefit assets and liabilities	(24,025)	(26,644)
Other	76,234	(52,424)
Subtotal	1,332,038	1,609,791
Interest and dividends received	28,203	41,706
Proceeds from dividends income from affiliates accounted for by equity method	134,300	144,376
Interest paid	(159,578)	(202,757)
Income taxes paid	(263,713)	(142,228)
Net cash provided by operating activities	1,071,250	1,450,888
Cash flows from investing activities		
Net decrease (increase) in short-term investments	3,868	675
Purchase of fixed assets	(398,797)	(422,569)
Proceeds from sales of fixed assets	39,742	46,433
Purchase of leased vehicles	(1,430,561)	(1,298,702)
Proceeds from sales of leased vehicles	645,167	666,375
Payments of long-term loans receivable	(555)	(372)
Collection of long-term loans receivable	732	3,390
Purchase of investment securities	(26,207)	(31,328)
Proceeds from sales of investment securities	10,168	178
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	440
Net decrease (increase) in restricted cash	9,124	(134,474)
Proceeds from transfer of business	—	46,176
Other	(400)	(9,769)
Net cash used in investing activities	(1,147,719)	(1,133,547)

(Millions of yen)

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

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

1. Scope of consolidation
   (1) Number of consolidated companies: 192
      - Domestic companies: 69
      - Overseas companies: 123

      The names of principal consolidated companies are omitted here because they are provided in "4. Information on subsidiaries and affiliates" under "1. Overview of the Company."

      Due to new establishment or other reasons, Nissan (Shanghai) Automotive Design Ltd., and two other companies have been included in the scope of consolidation in the current fiscal year. Due to the transfer of shares held by the Company or other reasons, Automotive Energy Supply Corporation, which was a consolidated subsidiary in the prior fiscal year, and three other companies have been excluded from the scope of consolidation in the current fiscal year.

   (2) Number of unconsolidated subsidiaries: 71
      - Domestic companies: 48
        Nissan Arc Ltd. and others
      - Overseas companies: 23
        JATCO Korea Engineering Corp. and others

      These unconsolidated subsidiaries are immaterial in terms of their total assets, sales, net income or loss, retained earnings and others, and do not have a significant effect on the consolidated financial statements. As a result, they have been excluded from consolidation.

2. Equity method
   (1) Number of companies accounted for by the equity method: 49
      - Unconsolidated subsidiaries: 17 (12 domestic and 5 overseas companies)
        Nissan Arc Ltd. and others
      - Affiliates: 32 (20 domestic and 12 overseas companies)
        Renault, Dongfeng Motor Co., Ltd., MITSUBISHI MOTORS CORPORATION, Nissan Tokyo Sales Holdings Co., Ltd. and others

      Due to the acquisition of shares in the current fiscal year or other reasons, Alliance Ventures B.V. and one other company have become affiliates accounted for by the equity method in the current fiscal year.

   (2) Number of companies not accounted for by the equity method: 69
      - Unconsolidated subsidiaries: 54
        Nissan Shatai Computer Service Co., Ltd. and others
      - Affiliates: 15
        Nissan Car Techno Yamaguchi Co., Ltd., and others

      These companies are not accounted for by the equity method, as their impact is not significant on the consolidated net income or loss, consolidated retained earnings and others.

   (3) No adjustments are made to the financial statements of the companies accounted for by the equity method even if their accounting period is different from that of the Company.

3. Accounting period of consolidated subsidiaries
   (1) The following consolidated companies close their books of account at:

      December 31:
      Nissan Mexicana, S.A. de C.V.
      Nissan Export de Mexico
      NR FINANCE MEXICO, S.A. de C.V., SOFOM, E.R.
      NR Finance Services, S.A. de C.V
      ANZEN, Insurance Broker, S.A. de C.V.
      Nissan Do Brasil Automóveis Ltda.
      Nissan Argentina S.A.
      Nissan Chile SpA
      Aprite (GB) Ltd.
      Nissan Manufacturing RUS LLC.
      Nissan Motor Ukraine Ltd.
      Yulon Nissan Motor Co., Ltd.
      Nissan (China) Investment Co., Ltd.
      Dongfeng Nissan Auto Finance Co., Ltd.
      Nissan Shanghai Co., Ltd.
      JATCO Mexico, S.A. De C.V.
      Nissan Guangzhou Co., Ltd.
      Nissan (Shanghai) Automotive Design Co., Ltd.

(2) Of these 18 companies, Nissan Mexicana, S.A. de C.V. and 11 other subsidiaries are consolidated by using their financial statements as of the parent fiscal year end which are prepared solely for consolidation purposes. Yulon Nissan Motor Co., Ltd. and five other subsidiaries are consolidated by using their financial statements as of their respective fiscal year end, and necessary adjustments are made to their financial statements to reflect any significant transactions from January 1 to March 31.

4. Significant accounting policies

(1) Valuation methods for assets

①Securities

Held-to-maturity securities:

Held-to maturity securities are stated at amortized cost.

Other securities:

Marketable securities:

Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Costs of securities sold are calculated by the moving average method.

Non-marketable securities:

Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

Investments in limited liability partnerships and similar investments, defined as securities by Article 2, Section 2 of the Financial instruments and Exchange Law, are recognized at the net amount corresponding to the owning portion under the equity method based on the latest available financial statements of the partnerships.

②Derivative financial instruments

Derivative financial instruments are stated at fair value.

③Inventories

Inventories are primarily stated at cost determined by the first-in and first-out method (cost of inventories is written-down when their carrying amounts become unrecoverable).

(2) Depreciation of property, plant and equipment

Depreciation of self-owned property, plant and equipment is calculated principally by the straight-line method based on the estimated useful lives and the estimated residual value determined by the Company.
Depreciation of leased assets is calculated by the straight-line method based on either the estimated useful lives or the lease terms and the estimated residual value determined by the Company.

(3) Basis for significant reserves

①Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty. Some foreign subsidiaries and affiliates have adopted IFRS 9, *"Financial Instruments"*, and recognized impairment losses on financial assets using the expected credit loss model.

②Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.

(4) Accounting for retirement benefits

For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.
Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 7 to 15 years).
Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 9 to 28 years). Certain foreign consolidated subsidiaries have adopted the corridor approach for actuarial gain and loss, and amortize them over the average remaining years of services of the eligible employees or the average life expectancy of the eligible employees.
Actuarial gain and loss and past service cost that are yet to be recognized as gain or loss are recorded as remeasurements of defined benefit plans presented in accumulated other comprehensive income of the net assets section, after being adjusted for tax effects.

(5) Reporting of significant revenue and expenses

Reporting of revenue from finance lease transactions

Interest income is recognized over the fiscal years concerned.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are charged or credited to income.

Assets and liabilities of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, and revenue and expense accounts are translated at the average rates of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and non-controlling interests in the net assets section.

(7) Hedge accounting method

①Hedge accounting method

Primarily, deferred hedge accounting is applied for derivative instruments.

Short-cut method, "Furiate-Shori," is applied for forward exchange contracts which are qualified for such treatment and related to the hedged items other than foreign currency denominated accounts receivables.

Special treatment, "Tokurei-Shori," is applied for interest rate swaps which are qualified for such treatment.

②Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

· Hedged items..... Mainly receivables and payables denominated in foreign currencies and others.

③Hedging policy

Based on the internal risk management rules and authority regarding derivative transactions, expected risks such as fluctuations in foreign exchange and interest rate are hedged within certain extent.

④Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of hedged items are substantially same as those of hedging instruments.

(8) Amortization of goodwill

Goodwill is amortized over periods not exceeding 20 years determined based on their expected life.

However, immaterial differences are recognized as gain or loss in the year of acquisition.

Negative goodwill in consolidated subsidiaries and in companies accounted for by the equity method which had occurred after April 1, 2010 has been recorded as gain in the year of acquisition.

(9) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(10) Accounting for consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(11) Adoption of consolidated taxation system

The Company and some of its subsidiaries have been adopted the consolidated taxation system.

(Changes in accounting policies)

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

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

In line with this adoption, revenue is recognized upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

In adopting the accounting standards, in accordance with the transitional treatment, the cumulative effect of adoption of the standards was recognized on the date of adoption, and was added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2019.

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

The effects on per share information are stated in the applicable section.

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

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

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

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

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

The effects on per share information are omitted due to the materiality.

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

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

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

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

The effects on per share information are stated in the applicable section.

(Accounting standards to be adopted)

1. Domestic subsidiaries and affiliates

"Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 30, 2018) and

"Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 30, 2018)

① Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States jointly developed comprehensive accounting standards for revenue recognition and published the "Revenue from Contracts with Customers" (IFRS 15 in the IASB and ASU 2014-09 in the FASB) in May 2014. Given that IFRS 15 will be applied from a fiscal year starting on or after January 1, 2018 and that ASU 2014-09 will be applied from a fiscal year starting after December 15, 2017, the Accounting Standards Board of Japan (ASBJ) has developed comprehensive accounting standards for revenue recognition and published them in step with the Implementation Guidance.

The basic policy of the ASBJ in setting accounting standards for revenue recognition is to incorporate the basic principles of IFRS 15 as a starting point, considering that comparability between financial statements is one benefit of consistency with this standard, and, to the extent that they do not impair comparability, adding alternative treatment for items requiring consideration due to conventional practices in Japan.

② Scheduled date of adoption

To be applied from the fiscal year ending March 2022.

③ Effect of adoption

The effect of adoption of the aforementioned standard and guidance on the Company's consolidated financial statements is under evaluation.

2. Foreign subsidiaries and affiliates

(1) FASB Accounting Standards Update (ASU) 2016-13, "*Measurement of Credit Losses on Financial Instruments*"

① Overview

The aforementioned standard requires the recognition of impairment losses on financial assets using the expected credit loss model, instead of the incurred loss model that is currently in use.

② Scheduled date of adoption

To be applied from the fiscal year ending March 2021.

③ Effect of adoption

The effect of adoption of the aforementioned standards on the Company's consolidated financial statements is under evaluation.

(2) IFRS 16, *"Leases" and*

FASB Accounting Standards Update (ASU) 2016-02, *"Leases"*

① Overview

The aforementioned standards require a lessee to recognize assets or liabilities generally for all leases on the balance sheet, whereas no significant changes were made in the accounting for a lessor.

② Scheduled date of adoption

To be applied from the fiscal year ending March 2020.

③ Effect of adoption

The effect of adoption of the aforementioned standards on the Company's consolidated financial statements is under evaluation.

(Changes in presentation)

1. Consolidated statements of income

"Special addition to retirement benefits," which was included in "Other" under "Special losses" in the prior fiscal year, has been presented as a separate account under "Special losses" in the current fiscal year due to its increased financial materiality. To reflect this change, ¥3,445 million of "Other" under "Special losses" in the prior fiscal year has been reclassified into "Special addition to retirement benefits" in the consolidated statement of income for the prior fiscal year provided herein.

"Loss on sales of investment securities," which was presented as a separate account under "Special losses" in the prior fiscal year, has been included in "Other" in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥259 million of "Loss on sales of investment securities" under "Special losses" in the prior fiscal year has been reclassified into "Other" in the consolidated statement of income for the prior fiscal year provided herein.

2. Adoption of *"Partial Amendments to Accounting Standard for Tax Effect Accounting"*

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and other standards have been applied from the beginning of the fiscal year ended March 31, 2019, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under long-term liabilities.
As a result, on the consolidated balance sheet for the prior fiscal year, ¥152,452 million previously presented as "Deferred tax assets" under "Current assets" is now included in ¥321,426 million of "Deferred tax assets" under "Investments and other assets," and ¥2 million previously presented as "Deferred tax liabilities" under "Current liabilities" is now included in ¥375,087 million of "Deferred tax liabilities" under "Long-term liabilities."

Note 8 to the *"Accounting Standard for Tax Effect Accounting"* (excluding the total amount of the valuation allowance) and Note 9 to said standard as stipulated in Paragraphs 3–5 of the "*Partial Amendments to Accounting Standard for Tax Effect Accounting"* have been reflected in the notes to tax-effect accounting; provided, however, that matters concerning the previous fiscal year are not reflected in accordance with the transitional treatment stipulated in Paragraph 7 of said *Partial Amendments.*

(Additional information)
The company has consolidated adjusted financial statements of subsidiaries of the Company and Renault in Argentina applying IAS29,*"Financial Reporting in Hyperinflationary Economies"* from the fiscal year ended March 31, 2019.
In line with this retrospective restatement, retained earnings decreased by ¥2,774 million, translation adjustments increased by ¥7,625 million at the beginning of the fiscal year and those are included in "Cumulative effects of changes in accounting policies" of the consolidated statement of changes in net assets.

(For consolidated balance sheets)

1 ※1 Accumulated depreciation of property, plant and equipment (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Accumulated depreciation of property, plant and equipment	5,371,958	5,485,136
(Accumulated depreciation of leased assets included)	84,533	77,397

2 ※2 "Machinery, equipment and vehicles, net" includes the following assets leased to others under lease agreements.

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Assets leased to others under lease agreements (lessor)	2,677,762	2,722,277

3 ※3 Assets pledged as collateral and liabilities secured by the collateral

(1) Assets pledged as collateral (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Sales finance receivables	2,181,010 (2,181,010)	2,649,505 (2,649,505)
Property, plant and equipment	703,043 (698,052)	503,383 (503,383)
Total	2,884,053	3,152,888

(2) Liabilities secured by the above collateral (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Short-term borrowings	341,103 (341,103)	403,968 (403,968)
Long-term borrowings (including the current portion)	1,969,456 (1,962,669)	1,970,852 (1,970,852)
Total	2,310,559	2,374,820

The above figures in parentheses represent the values of assets pledged as collateral and liabilities secured by the collateral that correspond to nonrecourse debts.

4 Guarantees and others

Prior fiscal year (As of March 31, 2018)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※33,529	Guarantees for employees' housing loans and others
43 foreign dealers	1,144	Guarantees for loans and others
Total	34,673	

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	53	Commitments to provide guarantees for loans

Current fiscal year (As of March 31, 2019)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※27,688	Guarantees for employees' housing loans and others
33 foreign dealers	449	Guarantees for loans and others
Total	28,137	

※ Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	38	Commitments to provide guarantees for loans

5 Contingent Liabilities

・Lawsuits related to Takata's airbag inflators

Mainly in the United States ("U.S.") and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata's airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. The lawsuits allege that the subject airbag inflators did not function properly, and seek, among others, damages for economic losses, incurred costs, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive damages. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation ("MDL"). The Company and Nissan North America, Inc. ("NNA") have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. In September 2017, the court in the MDL granted preliminary approval to the proposed settlement. The total payment amount for the settlement will be $87.9 million to be paid over four years. In February 2018, the court in MDL granted final approval to the proposed settlement. Regarding the lawsuits other than the above, management has not recognized a provision for loss contingencies because as of the date of this report it is not possible to reasonably estimate the amount, if any, of any potential future losses because there are some uncertainties, such as these lawsuits are still in progress.

6 ※4 "Intangible fixed assets" include goodwill. (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Goodwill	6,719	6,141

7 ※5 Investments in unconsolidated subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Investments in stock of unconsolidated subsidiaries and affiliates	1,108,471	1,202,549
(Investments in stock of joint ventures included)	419,419	478,646

8 ※6 "Sales finance receivables" and "Other current assets" include lease receivables and lease investment assets.

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Lease receivables	44,445	40,778
Lease investment assets	49,763	49,931

9 The amount of unused balances of overdrafts and loan commitment agreements entered into by consolidated subsidiaries are as follows. (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Total credit lines of overdrafts and loans	285,743	304,717
Loans receivable outstanding	194,602	205,893
Unused credit lines	91,141	98,824

Since many of these facilities expire without being utilized and the related borrowings are sometimes subject to a review of the borrowers' credibility, any unused amount will not necessarily be utilized at the full amount.

(For consolidated statements of income)

1 ※1 Total research and development costs (Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Research and development costs included in manufacturing costs and selling, general and administrative expenses	495,824	523,133

2 ※2 The ending inventory balance represents after write-down of book value when their carrying amounts become unrecoverable, and the write-down (after offsetting the reversal of the prior fiscal year's write-down) are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Cost of sales	3,802 (gain)	2,684

3 ※3 Salaries and wages

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

4 ※4 Gain on sales of fixed assets

Prior fiscal year (From April 1, 2017 To March 31, 2018)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥9,260 million.

Current fiscal year (From April 1, 2018 To March 31, 2019)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥11,696 million.

5 ※5 Loss on sales of fixed assets

Prior fiscal year (From April 1, 2017 To March 31, 2018)

Loss on sales of fixed assets primarily consisted of a loss on sale of machinery, equipment and vehicles of ¥3,500 million.

Current fiscal year (From April 1, 2018 To March 31, 2019)

Loss on sales of fixed assets primarily consisted of a loss on sale of land of ¥1,408 million and a loss on sale of machinery, equipment and vehicles of ¥1,498 million.

6 ※6 Impairment loss

Prior fiscal year (From April 1, 2017 To March 31, 2018)

The following loss on impairment of fixed assets was recorded.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Land, intangible fixed assets and others	Japan, Europe and Asia (Total 14 locations)	16,086
Assets to be disposed of	Buildings and structures and others	Japan (Total 3 locations)	80

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales financing) and the regional segments that are mutually complementary with each other. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥16,166 million and has been recorded as special losses in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥16,086 million on idle assets (land - ¥546 million; intangible fixed assets - ¥11,014 million; and others - ¥4,526 million) and losses of ¥80 million on assets to be disposed of (buildings and structures - ¥48 million and others - ¥32 million).

The recoverable value of these assets was measured by net sales value. Property, plant and equipment of idle assets and assets to be disposed were estimated based on an appraisal value and intangible fixed assets of idle assets were estimated as zero because future use will not be expected.

Current fiscal year (From April 1, 2018 To March 31, 2019)

The following loss on impairment of fixed assets was recorded.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles and others	Japan, Europe and Asia (Total 6 locations)	10,987
Assets to be sold	Land, Buildings and structures and others	Japan (Total 1 location)	83
Assets to be disposed of	Land, Buildings and structures, intangible fixed assets and others	Japan and Europe (Total 9 locations)	2,269

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales financing) and the regional segments that are mutually complementary with each other. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥13,339 million and has been recorded as special losses in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥10,987 million on idle assets (machinery, equipment and vehicles - ¥1,370 million; Property, plant and equipment (Others) - ¥9,504 million; and others - ¥113 million), losses of ¥83 million on assets to be sold (land - ¥52 million; and buildings and structures - ¥31 million) and losses of ¥2,269 million on assets to be disposed of (land - ¥796 million; buildings and structures - ¥364 million; intangible fixed assets - ¥1,019 million; and others - ¥90 million).

The recoverable value of these assets was measured by net sales value. Property, plant and equipment of idle assets and property, plant and equipment to be disposed were estimated based on an appraisal value and those for assets to be sold were evaluated based on sales contracts. And intangible fixed assets to be disposed were estimated as zero because future use will not be expected.

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and tax effects concerning other comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Unrealized holding gain and loss on securities:		
Amount arising during the period	12,103	(41,759)
Reclassification adjustments for gains and losses realized in net income	0	—
Before tax-effect adjustment	12,103	(41,759)
Amount of tax effects	(3,744)	12,795
Unrealized holding gain and loss on securities	8,359	(28,964)
Unrealized gain and loss from hedging instruments:		
Amount arising during the period	(17,400)	7,612
Reclassification adjustments for gains and losses realized in net income	21,492	(14,602)
Adjustments of acquisition cost for assets	(341)	(290)
Before tax-effect adjustment	3,751	(7,280)
Amount of tax effects	(1,188)	2,632
Unrealized gain and loss from hedging instruments	2,563	(4,648)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting:		
Amount arising during the period	—	(17,966)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	—	(17,966)
Amount of tax effects	—	—
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	—	(17,966)
Translation adjustments:		
Amount arising during the period	(77,501)	(9,892)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(77,501)	(9,892)
Amount of tax effects	—	—
Translation adjustments	(77,501)	(9,892)
Remeasurements of defined benefit plans:		
Amount arising during the period	(5,230)	(38,158)
Reclassification adjustments for gains and losses realized in net income	9,713	11,845
Before tax-effect adjustment	4,483	(26,313)
Amount of tax effects	(550)	6,637
Remeasurements of defined benefit plans	3,933	(19,676)
The amount for equity method company portion:		
Amount arising during the period	39,126	(66,978)
Reclassification adjustments for gains and losses realized in net income	201	2,208
Before tax-effect adjustment	39,327	(64,770)
Amount of tax effects	—	—
The amount for equity method company portion	39,327	(64,770)
Total other comprehensive income	(23,319)	(145,916)

(For consolidated statements of changes in net assets)

Prior fiscal year (From April 1, 2017 To March 31, 2018)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	309,025	2,726	1,392	310,359

Notes: 1 Details of the increase are as follows: (Thousands of shares)

Increase in stocks held by affiliates accounted for by the equity method 2,720

Increase due to purchase of stocks of less than a standard unit 6

2. Details of the decrease are as follows:

Decrease due to exercise of share subscription rights 1,392

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (in thousands)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Parent company	Subscription rights as stock options	—					84
Total		—					84

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 27, 2017	Common stock	93,883	24.0	March 31, 2017	June 28, 2017
Meeting of the Board of Directors on November 8, 2017	Common stock	103,658	26.5	September 30, 2017	November 22, 2017

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

(2) Dividends, which the record date was in the year ended March 31, 2018 and the effective date of which is in the year ending March 31, 2019

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 26, 2018	Common stock	103,627	Retained earnings	26.5	March 31, 2018	June 27, 2018

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

Current fiscal year (From April 1, 2018 To March 31, 2019)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	310,359	6	2,554	307,811

Notes: 1 Details of the increase are as follows: (Thousands of shares)

Increase in stocks held by affiliates accounted for by the equity method 1

Increase due to purchase of stocks of less than a standard unit 5

2. Details of the decrease are as follows:

Decrease in stocks held by affiliates accounted for by the equity method 2,554

2. Share subscription rights

Not applicable.

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 26, 2018	Common stock	103,627	26.5	March 31, 2018	June 27, 2018
Meeting of the Board of Directors on November 8, 2018	Common stock	111,474	28.5	September 30, 2018	November 28, 2018

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

(2) Dividends, which the record date was in the year ended March 31, 2019 and the effective date of which is in the year ending March 31, 2020

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 25, 2019	Common stock	111,520	Retained earnings	28.5	March 31, 2019	June 26, 2019

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company.

(For consolidated statements of cash flows)

1 ※1 Cash and cash equivalents as of the end of the quarter are reconciled to the accounts reported in the consolidated balance sheets as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Cash on hand and in banks	1,134,838	1,219,588
Time deposits with maturities of more than three months	(38)	—
Cash equivalents included in securities (*)	71,200	139,470
Cash and cash equivalents	1,206,000	1,359,058

*These represent short-term, highly liquid investments readily convertible into cash held by foreign subsidiaries.

(For lease transactions)

1. Finance lease transactions

(Lessees' accounting)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

Described in "4 (2) Depreciation of property, plant and equipment" under Basis of consolidated financial statements.

(Lessors' accounting)

(1) Breakdown of lease investment assets (Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Lease income receivable	49,708	50,052
Estimated residual value	2,920	2,996
Interest income equivalent	(2,865)	(3,117)
Lease investment assets	49,763	49,931

(2) Expected amounts of collection from lease income receivable concerning lease receivables and lease investment assets after the balance sheet date

Prior fiscal year (As of March 31, 2018) (Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	30,378	20,146
Due after one year but within two years	13,762	11,360
Due after two years but within three years	180	11,698
Due after three years but within four years	122	4,270
Due after four years but within five years	23	1,762
Due after five years	13	472

Current fiscal year (As of March 31, 2019) (Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	28,174	16,403
Due after one year but within two years	12,103	15,472
Due after two years but within three years	414	11,917
Due after three years but within four years	89	3,791
Due after four years but within five years	10	2,039
Due after five years	11	430

2. Operating lease transactions

(Lessees' accounting)

Future minimum lease payments subsequent to March 31, 2018 and March 31, 2019 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Due in one year or less	10,486	13,522
Due after one year	58,546	69,491
Total	69,032	83,013

(Lessors' accounting)

Future minimum lease income subsequent to March 31, 2018 and March 31, 2019 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Due in one year or less	463,410	479,476
Due after one year	464,973	492,755
Total	928,383	972,231

(For financial instruments)

1. Financial Instruments

(1) Policies on financial instruments

The Group's cash is managed through short-term deposits and appropriate repurchase agreement transactions for the purpose of efficient cash management at appropriate risk. Investment in equity/bond-related products is also authorized. With regard to such investment with price fluctuation risk, a strict risk management is implemented, consisting of regular monitoring of mark-to-market and internal reporting.

The financing has been diversified, such as bank loans, bond issues, commercial paper issues and liquidation of securities, to reduce the exposure to liquidity risk.

The Group utilizes derivative financial instruments based on the internal "Policies and Procedures for Risk Management" mainly for the purposes of hedging its exposure to adverse fluctuations in foreign currency exchange rates on receivables and payables denominated in foreign currencies, interest rates on interest-bearing debt and market prices on commodity, but does not enter into such transactions for speculative purposes.

The sales financing business provides financial services to retail customers, such as auto loans and leases, and inventory financing, working capital loans, etc. to our dealers. Strict credit underwriting policies are followed before loans are advanced to the customers and dealers.

(2) Description of financial instruments and related risks

① Trade notes and accounts receivable

The Group holds trade notes and accounts receivable as consideration for sales of products and collects such receivables in accordance with the terms and conditions of relevant sales agreements. The relevant trade notes and accounts receivable are exposed to the credit risk of the respective customers. Those denominated in foreign currencies are exposed to fluctuations in foreign currency exchange rates.

② Sales finance receivables

Sales finance receivables consist of auto loans and leases to retail customers, and credit exposures to dealers comprised of inventory financing and working capital loans, etc. Sales finance receivables are exposed to credit risk of the respective customers.

③ Securities and investment securities

Securities and investment securities held by the Group are mainly unlisted foreign investment trusts and investment securities in affiliates. Investment securities in affiliates are exposed to the risk of fluctuations in their market prices.

④ Trade notes and accounts payable

The Group holds trade notes and accounts payable as liabilities with various payment dates based on the payment conditions from purchasing diverse parts, materials and services, required for development, manufacture and sale of products. As its procurement activities are operated in various regions and countries, the relevant trade notes and accounts payable are exposed to fluctuations in foreign currency exchange rates.

⑤ Borrowings, bonds and lease obligations

The Group conducts diverse financing activities for the purpose of fund procurements for working capital, investments in equipment and businesses, sales financing and so forth. As part of such financing uses floating-rates, the relevant borrowings, bonds and lease obligations are exposed to the risk of interest rate fluctuations. The Group is also exposed to liquidity risk in that the necessary funds for business operations may not be ensured with rapid changes in the procurement environment.

⑥ Derivative transactions

(1) Forward foreign exchange contracts

Forward foreign exchange contracts are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables arising from importing and exporting products and others.

(2) Currency options

In the same manner as forward foreign exchange contracts, currency options are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates on foreign currency denominated receivables and payables.

(3) Interest rate swaps

Interest rate swaps are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(4) Currency swaps

Currency swaps are used to hedge against the adverse impact of fluctuations in foreign currency exchange rates and interest rates on foreign currency denominated receivables and payables.

(5) Interest rate options

Interest rate options are used primarily to hedge against the adverse impact of fluctuations in interest rates on interest-bearing debt.

(6) Commodity futures contracts

Commodity futures contracts are used primarily to hedge against the adverse impact of fluctuations in the market prices of precious metals (used as the catalyst for the emission gas purifier of automobiles) and base metals (raw materials for automobile productions).

For hedging instruments, hedged items, hedging policy and assessment of hedge effectiveness, refer to "(7) Hedge accounting method" under "4. Significant accounting policies".

(3) Risks relating to financial instruments and the management system thereof

① Management of market risk

Although derivative transactions are used for the purpose of hedging risks on the assets and liabilities recorded in the consolidated balance sheets, there remains the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions. All the derivative transactions of the Group are carried out pursuant to the internal risk management rules, which stipulate the Group's basic policies for derivative transactions, management policies, management items, trading procedures, criteria for the selection of counterparties, the reporting system and so forth. The Group's financial market risk is controlled by the Company in a centralized manner, and it is stipulated that no individual subsidiary can initiate a hedge transaction such as derivative transactions without the prior approval of and regular reporting back to the Company.

The basic policy on the acquisition of derivative transactions is subject to the approval of the Hedge Policy Meeting, which is attended by the Chief Financial Officer and the staff in charge. The execution and management of all transactions are to be conducted in accordance with the aforementioned risk management rules pursuant to the decisions made at those meetings. Derivative transactions are conducted by a special section of the Finance Department, and the verification of the relevant trade agreements and the monitoring of position balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity futures contracts are conducted by the Finance Department in accordance with the acquisition policy determined by the corporate officer in charge of the Purchasing Department and the Chief Financial Officer.

The status of derivative transactions is reported on a regular basis to the Chief Financial Officer and on an annual basis to the Board of Directors.

② Management of credit risk

The Group does business with a variety of local counterparties including sales companies in many regions around the world. The Group has established transaction terms and conditions for operating receivables in Japan and overseas based on credit assessment criteria to take appropriate and effective measures for the protection of such receivables, using bank letters of credit and transactions with advance payments.

As for financial transactions including bank deposits, short term investments and derivatives, the Group is exposed to the risk that counterparty could default on their obligations and jeopardize future profits. We believe that this risk is insignificant as the Group enters into such transactions only with financial institutions that have a sound credit profile. Therefore, we believe that the risk to incur losses from counterparty financial institution's default is low. Credit risk is managed by using its own evaluation methods based on external credit ratings and other analyses. The Finance Department sets a maximum upper limit on positions with each of the counterparties and monitors the balances of open positions.

The Group enters into derivative transactions with Renault Finance S.A. ("RF"), a specialized financial subsidiary of the Renault Group. RF enters into derivative transactions to cover such derivative transactions with the Group only with financial institutions of the highest caliber carefully selected by RF based on its own rating techniques.

In sales finance, credit risk is managed through a framework that sets out policies, procedures, measurements and regular reviews across the full life cycle of a financial product from underwriting to collections and write-off.

③ Management of liquidity risk related to financing

The Company endeavors to raise funds from appropriate sources with reinforced measures such as an accumulation of cash reserves and the conclusion of loan commitment agreements so that the Group can ensure an appropriate level of liquidity even if any significant environmental change takes place in the financial market. However, this factor could entail a greater-than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having a significant effect on the Group's financial position and business performance. The Group secures the appropriate liquidity of funds in its automobile business in accordance with the management rule on liquidity risk by taking into account the future repayment schedule of borrowings, the future demand for working capital and other fund requirements. In sales finance, liquidity risk is managed focusing on thorough Asset Liability Management.

(4) Supplemental explanation on the fair value of financial instruments

① The fair value and unrealized gain or loss on derivative transactions are estimates that are considered appropriate based on the market at the balance sheet date and, thus, the fair value is not necessarily indicative of the actual amounts that might be realized or settled in the future.

② The notional amounts of the swaps are not a direct measure of the Company's risk exposure in connection with its swap transactions.

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2018 and March 31, 2019 for various financial instruments. Assets and liabilities for which it is deemed difficult to measure the fair value are not included in the tables below. (Refer to Note 2.)

Prior fiscal year (As of March 31, 2018)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Cash on hand and in banks	1,134,838	1,134,838	—
(2) Trade notes and accounts receivable	739,851		
Allowance for doubtful accounts (*1)	(10,630)		
	729,221	729,221	—
(3) Sales finance receivables (*2)	7,577,304		
Allowance for doubtful accounts (*1)	(98,334)		
	7,478,970	7,452,925	(26,045)
(4) Securities and investment securities	830,799	1,189,994	359,195
(5) Long-term loans receivable	12,654		
Allowance for doubtful accounts (*1)	(802)		
	11,852	12,515	663
Total assets	10,185,680	10,519,493	333,813
(1) Trade notes and accounts payable	1,646,638	1,646,638	—
(2) Short-term borrowings	802,952	802,952	—
(3) Commercial papers	402,918	402,918	—
(4) Bonds (*3)	2,284,041	2,283,084	957
(5) Long-term borrowings (*3)	4,206,431	4,200,811	5,620
(6) Lease obligations (*3)	42,014	42,783	(769)
Total liabilities	9,384,994	9,379,186	5,808
Derivative transactions (*4)	16,950	16,950	—

(*1) The allowance for doubtful accounts, which is individually reported as part of trade notes and accounts receivable, sales finance receivables and long-term loans receivable, is deducted.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥57,452 million of deferred installments income and others.

(*3) Bonds, long-term borrowings and lease obligations include the current portion of bonds, the current portion of long-term borrowings and lease obligations under current liabilities, respectively.

(*4) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

Current fiscal year (As of March 31, 2019)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Cash on hand and in banks	1,219,588	1,219,588	—
(2) Trade notes and accounts receivable	512,164		
Allowance for doubtful accounts (*1)	(7,164)		
	505,000	505,000	—
(3) Sales finance receivables (*2)	7,615,581		
Allowance for doubtful accounts (*1)	(113,184)		
	7,502,397	7,479,730	(22,667)
(4) Securities and investment securities	886,202	881,838	(4,364)
(5) Long-term loans receivable	13,983		
Allowance for doubtful accounts (*1)	(904)		
	13,079	13,132	53
Total assets	10,126,266	10,099,288	(26,978)
(1) Trade notes and accounts payable	1,580,452	1,580,452	—
(2) Short-term borrowings	850,995	850,995	—
(3) Commercial papers	697,549	697,549	—
(4) Bonds (*3)	2,275,301	2,262,870	12,431
(5) Long-term borrowings (*3)	4,169,957	4,172,355	(2,398)
(6) Lease obligations (*3)	35,884	35,962	(78)
Total liabilities	9,610,138	9,600,183	9,955
Derivative transactions (*4)	32,265	32,265	—

(*1) The allowance for doubtful accounts, which is individually reported as part of trade notes and accounts receivable, sales finance receivables and long-term loans receivable, is deducted.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥50,022 million of deferred installments income and others.

(*3) Bonds, long-term borrowings and lease obligations include the current portion of bonds, the current portion of long-term borrowings and lease obligations under current liabilities, respectively.

(*4) Net receivables and payables, which were derived from derivative transactions, are presented in net amounts, and any item for which the total becomes a net liability is indicated in parentheses.

(Note 1) Calculation method of the fair value of financial instruments and matters relating to securities and derivative transactions

Assets:

(1) Cash on hand and in banks and (2) Trade notes and accounts receivable

Fair value is calculated based on the book value as these assets are settled within a short time and the fair value is almost equal to the book value.

(3) Sales finance receivables

Fair value is calculated based on the discounted cash flows by collection period, using discount rates reflecting maturity and credit risk.

(4) Securities and investment securities

Fair value of stocks is based on the prices traded at the stock exchange. Fair value of unlisted foreign investment trusts is based on the book value as these are settled within a short time and fair value is almost equal to the book value.

Refer to the Notes to “For securities” with regard to the noteworthy matters provided for each type of securities, classified by holding purpose.

(5) Long-term loans receivable

Fair value is calculated based on the discounted cash flows of each individual loan, using discount rate which would be applicable for similar new loans.

Liabilities:

(1) Trade notes and accounts payable, (2) Short-term borrowings and (3) Commercial papers

Fair value is calculated based on the book value as these liabilities are settled within a short time and fair value is almost equal to the book value.

(4) Bonds

Fair value of marketable bonds is based on the market prices, and that of non-marketable bonds is based on the present value estimated by discounting the total principal and interest, using discount rates reflecting the remaining term and credit risk.

(5) Long-term borrowings and (6) Lease obligations

Fair value is calculated based on the present value estimated by discounting the total principal and interest, using discount rates which would be applicable for similar new borrowings or lease transactions.

Derivative transactions:

Refer to the notes in “For derivative transactions.”

(Note 2) The amounts of financial instruments recorded in the consolidated balance sheets for which it is deemed difficult to measure the fair value

(Millions of yen)

Classification	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Unlisted stocks	504,933	592,143

Unlisted stocks are not included in (4) Securities and investment securities, as it is deemed difficult to measure the fair value because they are nonmarketable and future cash flows cannot be estimated.

(Note 3) Redemption schedule after the balance sheet date for monetary receivables and securities with maturity dates

Prior fiscal year (As of March 31, 2018) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,134,838	—	—	—
Trade notes and accounts receivable	739,851	—	—	—
Sales finance receivables (*1)	2,944,659	4,488,697	143,948	—
Long-term loans receivable	2,853	9,424	243	134
Total	4,822,201	4,498,121	144,191	134

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥57,452 million of deferred installment income and others

Current fiscal year (As of March 31, 2019) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,219,588	—	—	—
Trade notes and accounts receivable	512,164	—	—	—
Sales finance receivables (*1)	3,040,218	4,417,526	157,640	197
Long-term loans receivable	43	12,778	902	260
Total	4,772,013	4,430,304	158,542	457

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥50,022 million of deferred installment income and others

(Note 4) Redemption schedule after the balance sheet date for bonds, long-term borrowings, lease obligations and other interest-bearing debt

Prior fiscal year (As of March 31, 2018) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	802,952	—	—	—	—	—
Commercial papers	402,918	—	—	—	—	—
Bonds	396,637	548,536	780,945	214,266	303,657	40,000
Long-term borrowings	1,152,719	1,360,151	1,125,194	462,454	78,921	26,992
Lease obligations	25,766	9,347	3,469	2,168	745	519
Total	2,780,992	1,918,034	1,909,608	678,888	383,323	67,511

Current fiscal year (As of March 31, 2019) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	850,995	—	—	—	—	—
Commercial papers	697,549	—	—	—	—	—
Bonds	583,457	790,058	467,172	314,120	100,494	20,000
Long-term borrowings	1,630,771	1,428,889	793,503	183,598	126,686	6,510
Lease obligations	19,846	9,970	3,487	1,529	663	389
Total	3,782,618	2,228,917	1,264,162	499,247	227,843	26,899

(For securities)

1. Other securities

Prior fiscal year (As of March 31, 2018) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	150,615	73,925	76,690
Others	2,610	1,968	642
Subtotal	153,225	75,893	77,332
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	2,836	2,858	(22)
Others	71,200	71,200	—
Subtotal	74,036	74,058	(22)
Total	227,261	149,951	77,310

Current fiscal year (As of March 31, 2019) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	108,804	73,929	34,875
Others	3,504	2,369	1,135
Subtotal	112,308	76,298	36,010
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	24,018	24,088	(70)
Others	139,470	139,470	—
Subtotal	163,488	163,558	(70)
Total	275,796	239,856	35,940

2. Other securities sold during the fiscal year

Prior fiscal year (From April 1, 2017 To March 31, 2018) (Millions of yen)

Type of securities	Sales proceeds	Total gain	Total loss
Stock	9,731	312	(259)
Total	9,731	312	(259)

Current fiscal year (From April 1, 2018 To March 31, 2019)
This information is not provided due to its low materiality.

3. Reclassified securities

Prior fiscal year (From April 1, 2017 To March 31, 2018)
Not applicable.

Current fiscal year (From April 1, 2018 To March 31, 2019)
Not applicable.

4. Securities for which an impairment loss was recognized

Prior fiscal year (From April 1, 2017 To March 31, 2018)
For the prior fiscal year, an impairment loss of ¥507 million was recognized for investment securities (stock included in other securities: ¥507 million).

Current fiscal year (From April 1, 2018 To March 31, 2019)
Not applicable.

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2018) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	KRW	330	—	(35)	(35)
	Buy:				
	EUR	31,371	—	(541)	(541)
	Swaps:				
	EUR	409,766	350,853	198	198
	USD	329,042	131,714	7,419	7,419
	MXN	8,892	—	1,957	1,957
	INR	11,345	2,502	(49)	(49)
	AUD	31,670	—	1,486	1,486
	CNY	68,792	—	181	181
	HKD	530	—	27	27
Total		—	—	10,643	10,643

Note: Calculation of fair value is based on the discounted cash flows and others.

Current fiscal year (As of March 31, 2019) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	KRW	431	—	64	64
	EUR	2	—	2	2
	Buy:				
	EUR	30,792	—	(1,334)	(1,334)
	Swaps:				
	EUR	452,527	56,051	14,352	14,352
	USD	326,152	115,479	5,645	5,645
	INR	6,440	—	325	325
	GBP	2,399	—	2	2
	CNY	81,912	—	2,120	2,120
Total		—	—	21,176	21,176

Note: Calculation of fair value is based on the discounted cash flows and others.

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2018) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	65,761	61,570	645	645
	Receive fixed/pay floating	114,599	41,282	(1,133)	(1,133)
	Options				
	Caps sold	621,149	338,098		
	(Premium)	(2,583)	(1,926)	(178)	2,405
	Caps purchased	621,149	338,098		
	(Premium)	2,583	1,926	178	(2,405)
Total		―	―	(488)	(488)

Note: Calculation of fair value is based on the discounted cash flows and others.

Current fiscal year (As of March 31, 2019) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	152,575	152,575	(638)	(638)
	Receive fixed/pay floating	74,648	69,179	(28)	(28)
	Options				
	Caps sold	693,536	413,672		
	(Premium)	(2,418)	(1,680)	(86)	2,331
	Caps purchased	693,536	413,672		
	(Premium)	2,418	1,680	86	(2,331)
Total		―	―	(666)	(666)

Note: Calculation of fair value is based on the discounted cash flows and others.

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2018)

Not applicable.

Current fiscal year (As of March 31, 2019)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2018) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps:				
	USD	Short-term and long-term borrowings	316,722	215,947	(1,103)
	RUB	Short-term loans receivable	2,433	—	(372)
	Forward foreign exchange contracts: Buy:				
	USD	Short-term borrowings	2,542	—	48
Total			—	—	(1,427)

Note: Calculation of fair value is based on discounted cash flows and others.

Current fiscal year (As of March 31, 2019) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps:				
	USD	Short-term and long-term borrowings	325,238	169,374	11,902
	EUR	Short-term and long-term borrowings	1,794	—	57
	INR	Long-term loans receivable	2,415	2,415	191
	Forward foreign exchange contracts: Buy:				
	USD	Short-term borrowings	30,775	—	28
Total			—	—	12,178

Note: Calculation of fair value is based on discounted cash flows and others.

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2018) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	71,700	45,500	Note 2
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Long-term borrowings	1,351,161	867,147	8,261
Total			—	—	8,261

Notes: 1. Calculation of fair value is based on discounted cash flows and others.
2. The fair value of interest rate swaps which are accounted using special treatment is included in that of corresponding hedged long-term borrowings in "2. Fair Value of Financial Instruments" under "For financial instruments" as those interest rate swaps are recorded as an adjustment to interest expense of hedged instruments under the special treatment.

Current fiscal year (As of March 31, 2019) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	45,500	36,000	Note 2
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Long-term borrowings	1,419,746	508,416	(478)
Total			—	—	(478)

Notes: 1. Calculation of fair value is based on discounted cash flows and others.
2. The fair value of interest rate swaps which are accounted using special treatment is included in that of corresponding hedged long-term borrowings in "2. Fair Value of Financial Instruments" under "For financial instruments" as those interest rate swaps are recorded as an adjustment to interest expense of hedged instruments under the special treatment.

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2018) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward contracts: Buy:	Aluminum	1,498	—	(28)
		Platinum	645	—	(5)
		Palladium	2,917	—	(58)
Total			—	—	(91)

Note: Calculation of fair value is based on discounted cash flows and others.

Current fiscal year (As of March 31, 2019) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward contracts: Buy:	Aluminum	1,216	—	18
Total			—	—	18

Note: Calculation of fair value is based on discounted cash flows and others.

(For retirement benefits)

1. Description of retirement benefit plans

The Group has several defined-benefit and defined-contribution pension plans. The Company and certain consolidated subsidiaries have adopted both defined-benefit and defined-contribution pension plans, whereas certain other consolidated subsidiaries have either defined-benefit or defined-contribution pension plans. The defined-benefit pension plans adopted by the Company and certain domestic subsidiaries include lump-sum payment plans and defined-benefit corporate pension plans. Certain employees may be entitled to additional special retirement benefits, depending on the conditions for the termination of their employment. Certain consolidated subsidiaries apply a simplified method for calculation of net defined benefit liability, net defined benefit assets and retirement benefit expenses.

2. Defined-benefit pension plan

(1) Adjustments between the beginning and ending balances of retirement benefit obligation (excluding those listed in (3) below)

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Retirement benefit obligation at the beginning of the year	1,381,325	1,379,845
Service cost	33,592	32,615
Interest cost	28,113	27,276
Actuarial gain and loss generated	8,215	35,171
Past service cost generated	(7,962)	(1,545)
Retirement benefits paid	(67,772)	(74,290)
Effect of foreign exchange translation	2,580	5,539
Other	1,754	1,777
Retirement benefit obligation at the end of the year	1,379,845	1,406,388

(2) Adjustments between the beginning and ending balances of plan assets (excluding those listed in (3) below)

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Plan assets at the beginning of the year	1,021,050	1,038,154
Expected return on plan assets (Note)	44,705	44,527
Actuarial gain and loss generated	11,325	(1,878)
Contribution from employers	17,239	20,028
Retirement benefits paid	(61,181)	(67,813)
Effect of foreign exchange translation	3,223	1,879
Other	1,793	1,507
Plan assets at the end of the year	1,038,154	1,036,404

Note: Interest from plan assets of net interest from net defined liability of consolidated foreign subsidiaries which adopt IFRS has been included.

(3) Adjustments between the beginning and ending balances of net defined benefit liability and net defined benefit assets for plans using a simplified method

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Net defined benefit liability and assets at the beginning of the year	615	618
Retirement benefit expenses	198	336
Retirement benefits paid	(98)	(61)
Contribution to plans	(97)	(78)
Decrease due to exclusion from consolidation	—	(331)
Net defined benefit liability and assets at the end of the year	618	484

(4) Adjustments between the ending balances of retirement benefit obligation and plan assets and the net defined benefit liability and net defined benefit assets reported on the balance sheets

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Retirement benefit obligation for funded plans	1,305,498	1,329,733
Plan assets	(1,039,104)	(1,037,282)
	266,394	292,451
Retirement benefit obligation for unfunded plans	75,915	78,017
Net defined benefit liability and assets reported on the consolidated balance sheets	342,309	370,468
Net defined benefit liability	352,861	378,967
Net defined benefit assets	(10,552)	(8,499)
Net defined benefit liability and assets reported on the consolidated balance sheets	342,309	370,468

(5) Breakdown of retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Service cost (Note 1)	33,791	32,951
Interest cost	28,113	27,276
Expected return on plan assets	(44,705)	(44,527)
Amortization of actuarial gain and loss	13,998	15,218
Amortization of past service cost	(20,169)	(3,373)
Other	795	348
Retirement benefit expenses for defined benefit plans	11,823	27,893

Notes: 1. The retirement benefit expenses of consolidated subsidiaries adopting the simplified method are included in "Service cost."

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥3,445 million for the prior fiscal year and ¥39,832 million for the current fiscal year were accounted for as "Special addition to retirement benefits" under "Special losses" in the consolidated statements of income.

(6) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Other comprehensive income" in the statements of comprehensive income) consist of the following (before tax effects).

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Past service cost	(12,885)	(1,446)
Actuarial gain and loss	17,368	(24,867)
Total	4,483	(26,313)

(7) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans (reported under "Accumulated other comprehensive income" in the net assets section in the consolidated balance sheets) consist of the following (before tax effects).

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Unrecognized past service cost	7,923	6,477
Unrecognized actuarial gain and loss	(174,303)	(199,170)
Total	(166,380)	(192,693)

(8) Matters regarding plan assets

①Major components of plan assets

Plan assets consist of the following.

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Stocks	43%	42%
Bonds	36%	37%
Cash and deposits	1%	1%
Real estate (including REITs)	7%	8%
Other	13%	12%
Total	100%	100%

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 3.0% for the prior year and 2.2% for the current fiscal year.

2. "Other" includes components for which it is difficult to categorize into specific types of plan assets, such as stocks and bonds, and to identify the percentage and the amount by types of assets.

②Method for determining the long-term expected return on plan assets

To determine the long-term expected return on plan assets, the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others, are considered.

(9) Assumptions used in actuarial calculations

Major assumptions used in actuarial calculations

Domestic companies

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Discount rates	0.2%–0.9%	0.1%–0.7%
Long-term expected rates of return on plan assets	Mainly 4.0%	Mainly 4.0%
Expected future salary increase	2.4%–5.5%	2.4%–5.5%

Foreign companies

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Discount rates	1.8%–4.2%	1.0%–4.1%
Long-term expected rates of return on plan assets (US GAAP adoption companies only)	Mainly 8.0%	Mainly 8.0%
Expected future salary increase	2.5%–6.0%	2.5%–6.0%

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥18,374 million for the prior fiscal year and ¥19,849 million for the current fiscal year.

(For share-based payments)

1. The account and the amount of stock options charged as expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Salaries and wages in Selling, general and administrative expenses	—	—

2. The amount of stock options charged as income due to their forfeiture resulting from nonuse

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Special gains	72	84

3. Description of stock options/Changes in the size of stock options

(1) Description of stock options

Company name	The Company
	2008 Stock Options
Category and number of people to whom stock options are granted	The Company's employees: 121
Type and number of shares	Common stock 3,620,000 shares
Grant date	May 16, 2008
Vesting conditions	(1) Those who hold share subscription rights (hereinafter "the holders") must remain employees or directors of the Company, its subsidiaries, or affiliates until the beginning of the exercise period. (2) The holders must achieve their respective targets.
Vesting period	From May 16, 2008 To May 16, 2010
Exercise period	From May 17, 2010 To April 23, 2018

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2019. The number of stock options is translated into the number of shares.

① Number of stock options

Company name	The Company
	2008 Stock Options
Share subscription rights which are not yet vested (shares):	
As of March 31, 2018	—
Granted	—
Forfeited	—
Vested	—
Balance of options not vested	—
Share subscription rights which have already been vested (shares):	
As of March 31, 2018	499,910
Vested	—
Exercised	—
Forfeited	499,910
Balance of options not exercised	—

② Per share prices

Company name	The Company
	2008 Stock Options
Exercise price (Yen)	975
Average price per share upon exercise (Yen)	—
Fair value per share at grant date (Yen)	168.99

4. Method for estimating the per share fair value of stock options

During the fiscal year ended March 31, 2019, there were no stock options that were granted or for which the fair value per share had been changed due to the alteration of conditions.

5. Estimation of the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, historical data is reflected for the options that have not yet been vested, and the number of options that have actually forfeited is reflected for the options that have already been vested.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Deferred tax assets:		
Net operating loss carry forwards (*2)	149,368	237,880
Net defined benefit liability	87,635	107,404
Accrued warranty costs	74,140	88,047
Sales incentives	36,603	82,489
Deferred tax credit	46,634	71,791
Research and development expenses	50,514	70,818
Loss for residual value risk of leased vehicles	48,815	45,983
Allowance for doubtful receivable	34,074	41,610
Service costs	25,171	23,662
Impairment loss	22,970	20,294
Allowance for bonus	18,809	18,528
Excess depreciation	14,131	17,262
Other	215,522	233,463
Total gross deferred tax assets	824,386	1,059,231
Valuation allowance for net operating loss carry forwards (*2)	—	(100,485)
Valuation allowance for the sum of deductible temporary differences, etc.	—	(87,487)
Valuation allowance (*1)	(88,596)	(187,972)
Total deferred tax assets	735,790	871,259
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(599,308)	(653,735)
Difference between cost of investments and their underlying net equity at fair value on land	(52,688)	(52,296)
Unrealized holding gain on securities	(23,404)	(10,610)
Other	(114,051)	(167,849)
Total deferred tax liabilities	(789,451)	(884,490)
Net deferred tax assets	(53,661)	(13,231)

(*1) Based on the Group's ongoing recovery plan, the future recoverability of deferred tax assets was reviewed, resulting in an increase in the valuation allowance.

(*2) The amounts of net operating loss carry forwards and corresponding deferred tax assets by due period.

Current fiscal year (As of March 31, 2019) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	7,596	9,803	46,969	45,919	14,858	112,735	237,880
Valuation allowance	(5,962)	(3,727)	(9,161)	(7,280)	(10,085)	(64,270)	(100,485)
Deferred tax assets (b)	1,634	6,076	37,808	38,639	4,773	48,465	137,395

(a) The net operating loss carry forwards represent the amounts after being multiplied by the statutory tax rate.

(b) After estimating the future taxable incomes based on the profitability attributable to sales plan of new vehicle, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

2. The reconciliation between the effective tax rates reflected in the consolidated financial statements and the statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Statutory tax rate of the Company	30.8%	30.6%
(Reconciliation)		
・ Different tax rates applied to foreign consolidated subsidiaries	(1.6%)	(2.7%)
・ Tax credits	(3.7%)	(4.9%)
・ Change in valuation allowance	4.7%	10.5%
・ Equity in gain and loss of affiliates	(8.9%)	(14.0%)
・ Undistributed retained earnings of foreign consolidated subsidiaries	1.3%	3.1%
・ Reduction in year-end deferred tax assets and deferred tax liabilities due to tax rate change	(32.6%)	0.2%
・ Other	2.6%	5.6%
Effective tax rates after adoption of tax-effect accounting	(7.4%)	28.4%

(For assets retirement obligations)

Prior fiscal year (As of March 31, 2018)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2019)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.
For the fiscal year ended March 31, 2018, net income from rental property amounted to ¥5,084 million and net gain on sales of rental property amounted to ¥27 million. For the fiscal year ended March 31, 2019, net income from rental property amounted to ¥4,851 million and net gain on sales of rental property amounted to ¥1,742 million.

The carrying value, increase/decrease thereof and fair value of rental property are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Carrying value		
Balance at the beginning of the year	108,626	110,477
Increase/Decrease during the year	1,851	(146)
Balance at the end of the year	110,477	110,331
Fair value at the end of the year	113,894	116,150

Notes:1. The carrying value shown here is calculated by deducting the relevant accumulated depreciation and impairment loss from the property’s acquisition cost.
2. The fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

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

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

2. Calculation method of net sales, profits or losses, assets and other items by reportable segments

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

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

3. Changes, etc., in reportable segments

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

As stated in "Changes in accounting policies," at foreign subsidiaries and affiliates that apply US GAAP, ASC 606, *"Revenue from Contracts with Customers"* has been adopted, while at other foreign subsidiaries and affiliates, IFRS 15, *"Revenue from Contracts with Customers"* (May 28, 2014) has been adopted from the fiscal year ended March 31, 2019.

In line with this adoption, revenue is recognized upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

In adopting the accounting standards, in accordance with the transitional treatment of recognizing the cumulative effect of adoption on the date of adoption, the effect was added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2019, for each business segment.

Due to this change, on the summarized consolidated balance sheets by business segment for the fiscal year ended March 31, 2019, the beginning balance of retained earnings in the Automobile & Eliminations section decreased by ¥58,566 million. In addition, net sales and income before income taxes for the fiscal year ended March 31, 2019, increased by ¥9,309 million and ¥64,225 million, respectively.

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

As stated in "Changes in accounting policies," certain foreign subsidiaries and affiliates have adopted IFRS 9, *"Financial Instruments"* (July 24, 2014) from the fiscal year ended March 31, 2019. In line with this adoption, the methods for classification and measurement of financial instruments were reviewed and impairment losses on financial assets were recognized using the expected credit loss model.

In adopting the accounting standard, in accordance with the transitional treatment of recognizing the cumulative effect of adoption on the date of adoption, the effect was added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2019, for each business segment.

Due to this change, on the summarized consolidated balance sheets by business segment for the fiscal year ended March 31, 2019, the beginning balance of retained earnings in the Sales financing section decreased by ¥5,671 million, whereas that in the Automobile & Eliminations section increased by ¥3,383 million. The effect of this change on the consolidated statements of income for the fiscal year ended March 31, 2019, is immaterial.

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

"Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No. 28, February 16, 2018) has been adopted from the beginning of the fiscal year ended March 31, 2019. In line with this adoption, a reversal of deferred tax liabilities was made in connection with the change in the treatment of taxable temporary differences relating to shares, etc. of subsidiaries in the non-consolidated financial statements to match the treatment of taxable temporary differences relating to shares of subsidiaries or investments in affiliates in the consolidated financial statements.

The change in accounting policies in line with the adoption of these accounting standards has been retrospectively adopted. As a result, in the Automobile & Eliminations section on the summarized consolidated balance sheets for the prior fiscal year, deferred tax liabilities decreased by ¥12,975 million, whereas retained earnings increased by ¥12,975 million, compared with the accounting prior to the retrospective adoption.

4. Net sales, profits or losses, assets and other items by reportable segments

Prior fiscal year (From April 1, 2017 To March 31, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2018
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	10,851,955	1,099,214	11,951,169	—	11,951,169
Inter-segment sales or transfers	175,908	50,103	226,011	(226,011)	—
Total	11,027,863	1,149,317	12,177,180	(226,011)	11,951,169
Segment profits	335,574	215,338	550,912	23,848	574,760
Segment assets	9,299,976	10,912,915	20,212,891	(1,472,956)	18,739,935
Other items					
Depreciation and amortization expense	373,038	516,193	889,231	—	889,231
Amortization of goodwill	1,057	—	1,057	—	1,057
Interest expense (Cost of sales)	—	195,373	195,373	(39,837)	155,536
Investment amounts to equity method companies	1,048,774	11,256	1,060,030	—	1,060,030
Increase amounts of fixed assets and intangible fixed assets	410,139	1,377,306	1,787,445	—	1,787,445

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statements of income and summarized consolidated statements of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V., SOFOM, E.R. (Mexico), other 10 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior fiscal year (As of March 31, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,073,609	61,229	1,134,838
Trade notes and accounts receivable	738,549	1,302	739,851
Sales finance receivables	(13,883)	7,648,639	7,634,756
Inventories	1,241,663	48,886	1,290,549
Other current assets	360,205	370,194	730,399
Total current assets	3,400,143	8,130,250	11,530,393
II. Fixed assets			
Property, plant and equipment, net	2,624,059	2,641,575	5,265,634
Investment securities	1,262,291	2,241	1,264,532
Other fixed assets	540,527	138,849	679,376
Total fixed assets	4,426,877	2,782,665	7,209,542
Total assets	7,827,020	10,912,915	18,739,935
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,599,075	47,563	1,646,638
Short-term borrowings	(731,635)	3,486,861	2,755,226
Lease obligations	25,766	—	25,766
Other current liabilities	1,846,493	470,261	2,316,754
Total current liabilities	2,739,699	4,004,685	6,744,384
II. Long-term liabilities			
Bonds	175,000	1,712,404	1,887,404
Long-term borrowings	(115,308)	3,169,020	3,053,712
Lease obligations	16,240	8	16,248
Other long-term liabilities	726,811	609,666	1,336,477
Total long-term liabilities	802,743	5,491,098	6,293,841
Total liabilities	3,542,442	9,495,783	13,038,225
Net assets			
I. Shareholders' equity			
Common stock	431,212	174,602	605,814
Capital surplus	753,586	62,327	815,913
Retained earnings	3,711,614	1,210,108	4,921,722
Treasury stock	(139,970)	—	(139,970)
Total shareholders' equity	4,756,442	1,447,037	6,203,479
II. Accumulated other comprehensive income			
Translation adjustments	(654,184)	(79,387)	(733,571)
Others	(80,369)	8,173	(72,196)
Total accumulated other comprehensive income	(734,553)	(71,214)	(805,767)
III. Share subscription rights	84	—	84
IV. Non-controlling interests	262,605	41,309	303,914
Total net assets	4,284,578	1,417,132	5,701,710
Total liabilities and net assets	7,827,020	10,912,915	18,739,935

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,201,361 million.

(2) Summarized consolidated statements of income by business segments

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2017 To March 31, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	10,801,852	1,149,317	11,951,169
Cost of sales	9,037,294	776,707	9,814,001
Gross profit	1,764,558	372,610	2,137,168
Operating income as a percentage of net sales	3.3%	18.7%	4.8%
Operating income	359,422	215,338	574,760
Financial income / expenses, net	14,969	116	15,085
Other non-operating income and expenses, net	158,294	2,163	160,457
Ordinary income	532,685	217,617	750,302
Income before income taxes	483,900	226,843	710,743
Net income attributable to owners of parent	320,789	426,103	746,892

(3) Summarized consolidated statements of cash flows by business segments

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2017 To March 31, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	483,900	226,843	710,743
Depreciation and amortization	373,038	516,193	889,231
Decrease (increase) in sales finance receivables	6,000	(536,842)	(530,842)
Others	(105,779)	107,897	2,118
Net cash provided by operating activities	757,159	314,091	1,071,250
II. Cash flows from investing activities			
Purchases of investment securities	(1,576)	(24,631)	(26,207)
Purchases of fixed assets	(380,149)	(18,648)	(398,797)
Proceeds from sales of fixed assets	17,780	21,962	39,742
Purchases of leased vehicles	1	(1,430,562)	(1,430,561)
Proceeds from sales of leased vehicles	7	645,160	645,167
Others	13,797	9,140	22,937
Net cash used in investing activities	(350,140)	(797,579)	(1,147,719)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(84,114)	(63,394)	(147,508)
Net change in long-term borrowings and redemption of bonds	(116,079)	(296,752)	(412,831)
Proceeds from issuance of bonds	—	858,002	858,002
Others	(260,846)	(7)	(260,853)
Net cash provided by (used in) financing activities	(461,039)	497,849	36,810
IV. Effect of exchange rate changes on cash and cash equivalents	4,666	(131)	4,535
V. Increase (decrease) in cash and cash equivalents	(49,354)	14,230	(35,124)
VI. Cash and cash equivalents at the beginning of the period	1,189,975	51,149	1,241,124
VII. Increase due to inclusion in consolidation	—	—	—
VIII. Cash and cash equivalents at the end of the period	1,140,621	65,379	1,206,000

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥48,436 million eliminated for net increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥130,604 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Prior fiscal year (From April 1, 2017 To March 31, 2018)

(Millions of yen)

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

Notes: 1. Regions are representing the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Current fiscal year (From April 1, 2018 To March 31, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2019
	Automobile	Sales financing	Total		
Net sales Sales to third parties	10,426,158	1,148,089	11,574,247	—	11,574,247
Inter-segment sales or transfers	157,922	49,540	207,462	(207,462)	—
Total	10,584,080	1,197,629	11,781,709	(207,462)	11,574,247
Segment profits	65,997	227,993	293,990	24,234	318,224
Segment assets	9,008,213	11,122,296	20,130,509	(1,178,164)	18,952,345
Other items Depreciation and amortization expense	373,738	525,803	899,541	—	899,541
Amortization of goodwill	1,118	—	1,118	—	1,118
Interest expense (Cost of sales)	—	231,837	231,837	(37,241)	194,596
Investment amounts to equity method companies	1,137,696	11,539	1,149,235	—	1,149,235
Increase amounts of fixed assets and intangible fixed assets	463,995	1,284,664	1,748,659	—	1,748,659

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statements of income and summarized consolidated statements of cash flows consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V., SOFOM, E.R. (Mexico), other 10 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,171,874	47,714	1,219,588
Trade notes and accounts receivable	511,148	1,016	512,164
Sales finance receivables	(135,801)	7,801,404	7,665,603
Inventories	1,198,571	59,352	1,257,923
Other current assets	575,680	382,147	957,827
Total current assets	3,321,472	8,291,633	11,613,105
II. Fixed assets			
Property, plant and equipment, net	2,598,874	2,706,824	5,305,698
Investment securities	1,334,518	4,357	1,338,875
Other fixed assets	575,185	119,482	694,667
Total fixed assets	4,508,577	2,830,663	7,339,240
Total assets	7,830,049	11,122,296	18,952,345
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,532,977	47,475	1,580,452
Short-term borrowings	(341,811)	4,104,583	3,762,772
Lease obligations	19,846	—	19,846
Other current liabilities	1,897,057	470,404	2,367,461
Total current liabilities	3,108,069	4,622,462	7,730,531
II. Long-term liabilities			
Bonds	165,000	1,526,844	1,691,844
Long-term borrowings	(149,117)	2,688,303	2,539,186
Lease obligations	16,033	5	16,038
Other long-term liabilities	724,713	626,523	1,351,236
Total long-term liabilities	756,629	4,841,675	5,598,304
Total liabilities	3,864,698	9,464,137	13,328,835
Net assets			
I. Shareholders' equity			
Common stock	431,303	174,511	605,814
Capital surplus	641,913	172,769	814,682
Retained earnings	3,640,783	1,321,197	4,961,980
Treasury stock	(139,457)	—	(139,457)
Total shareholders' equity	4,574,542	1,668,477	6,243,019
II. Accumulated other comprehensive income			
Translation adjustments	(729,530)	(60,601)	(790,131)
Others	(149,654)	(559)	(150,213)
Total accumulated other comprehensive income	(879,184)	(61,160)	(940,344)
III. Share subscription rights	—	—	—
IV. Non-controlling interests	269,993	50,842	320,835
Total net assets	3,965,351	1,658,159	5,623,510
Total liabilities and net assets	7,830,049	11,122,296	18,952,345

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥900,676 million.

(2) Summarized consolidated statements of income by business segments

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2018 To March 31, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	10,376,618	1,197,629	11,574,247
Cost of sales	8,850,866	819,536	9,670,402
Gross profit	1,525,752	378,093	1,903,845
Operating income as a percentage of net sales	0.9%	19.0%	2.7%
Operating income	90,231	227,993	318,224
Financial income / expenses, net	24,881	(21)	24,860
Other non-operating income and expenses, net	203,431	(17)	203,414
Ordinary income	318,543	227,955	546,498
Income before income taxes	252,855	224,853	477,708
Net income attributable to owners of parent	163,650	155,488	319,138

(3) Summarized consolidated statements of cash flows by business segments

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2018 To March 31, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	252,855	224,853	477,708
Depreciation and amortization	373,738	525,803	899,541
Decrease (increase) in sales finance receivables	122,080	(34,474)	87,606
Others	(101,831)	87,864	(13,967)
Net cash provided by operating activities	646,842	804,046	1,450,888
II. Cash flows from investing activities			
Purchase of investment securities	(31,328)	—	(31,328)
Purchases of fixed assets	(403,068)	(19,501)	(422,569)
Proceeds from sales of fixed assets	23,969	22,464	46,433
Purchases of leased vehicles	—	(1,298,702)	(1,298,702)
Proceeds from sales of leased vehicles	—	666,375	666,375
Others	(45,273)	(48,483)	(93,756)
Net cash used in investing activities	(455,700)	(677,847)	(1,133,547)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	436,937	(223,360)	213,577
Net change in long-term borrowings and redemption of bonds	(95,970)	(351,098)	(447,068)
Proceeds from issuance of bonds	—	363,868	363,868
Others	(327,936)	70,419	(257,517)
Net cash provided by (used in) financing activities	13,031	(140,171)	(127,140)
IV. Effect of exchange rate changes on cash and cash equivalents	(36,329)	(1,929)	(38,258)
V. Increase (decrease) in cash and cash equivalents	167,844	(15,901)	151,943
VI. Cash and cash equivalents at the beginning of the period	1,140,621	65,379	1,206,000
VII. Increase due to inclusion in consolidation	1,115	—	1,115
VIII. Cash and cash equivalents at the end of the period	1,309,580	49,478	1,359,058

Notes:1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥240,325 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥58,366 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2018 To March 31, 2019)

(Millions of yen)

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

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

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

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

(1) North America : The United States of America, Canada and Mexico

(2) Europe : France, The United Kingdom, Spain, Russia and other European countries

(3) Asia : China, Thailand, India and other Asian countries

(4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Related information

Prior fiscal year (From April 1, 2017 To March 31, 2018)

1. Information by product and service

This information is not provided here because it is the same as the information provided under "Segment information."

2. Information by geographical area

(1) Net sales

(Millions of yen)

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

Notes: 1. Regions 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) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,502,501	3,136,175	2,622,574	303,462	223,536	99,960	5,265,634

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

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Current fiscal year (From April 1, 2018 To March 31, 2019)

1. Information by product and service

This information is not provided here because it is the same as the information provided under “Segment information.”

2. Information by geographical area

(1) Net sales

(Millions of yen)

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

Notes: 1. Regions 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) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,527,241	3,209,631	2,651,472	247,636	219,653	101,537	5,305,698

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

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Information about the impairment loss on fixed assets by reportable segments

Prior fiscal year (From April 1, 2017 To March 31, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	16,166	—	16,166	—	16,166

Current fiscal year (From April 1, 2018 To March 31, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	13,339	—	13,339	—	13,339

Information about the amortization of goodwill and unamortized balance by reportable segments

Prior fiscal year (From April 1, 2017 To March 31, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,057	—	1,057	—	1,057
Balance at the end of the year	6,719	—	6,719	—	6,719

Current fiscal year (From April 1, 2018 To March 31, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,118	—	1,118	—	1,118
Balance at the end of the year	6,141	—	6,141	—	6,141

Information about the gain recognized on negative goodwill by reportable segments

Prior fiscal year (From April 1, 2017 To March 31, 2018)

This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2018 To March 31, 2019)

This information is not provided due to its low materiality.

(Information of related parties)

1. Transactions with related parties

Prior fiscal year (From April 1, 2017 To March 31, 2018)

There are no significant transactions to be disclosed.

Current fiscal year (From April 1, 2018 To March 31, 2019)

Type	Company name	Address	Common stock or Investment in capital (Millions of yen)	Business	Percentage of the voting rights held (%)	Relation	Nature of transaction	Amount of transaction (Millions of yen)	Account	Balance at the end of fiscal year (Millions of yen)
The company which the director or its relatives have the majority of voting rights	DEXTAR WORLD TRADE LIMITED, L.L.C.	Hamilton, New Jersey, U.S.A	Unknown (Note1)	Automotive parts distributor	None	Sells automotive parts to DEXTAR WORLD TRADE LIMITED, L.L.C.	Sale of automotive parts to DEXTAR WORLD TRADE LIMITED, L.L.C. (Note2)	563	Notes and Accounts Receivables	129

Notes: 1. The common stock of this company is unknown.
2. Transaction conditions, such as sales prices, are decided upon the negotiations where the Company presents the sales prices, which are benchmarked to the market price.

2. Notes on the parent company and significant affiliates

Condensed financial information of significant affiliates:

Prior fiscal year (From April 1, 2017 To March 31, 2018)

Combined and condensed financial information (from January 1, 2017 to December 31, 2017) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥10,793,705 million
Total fixed assets	¥6,465,410 million
Total current liabilities	¥10,404,721 million
Total long-term liabilities	¥1,454,703 million
Total net assets	¥5,399,691 million
Net sales	¥10,459,186 million
Income before income taxes	¥1,119,378 million
Net income	¥877,748 million

Current fiscal year (From April 1, 2018 To March 31, 2019)

Combined and condensed financial information (from January 1, 2018 to December 31, 2018) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the prior fiscal year, is as follows.

Total current assets	¥10,555,680 million
Total fixed assets	¥6,426,807 million
Total current liabilities	¥9,940,622 million
Total long-term liabilities	¥1,462,539 million
Total net assets	¥5,579,326 million
Net sales	¥10,626,591 million
Income before income taxes	¥921,071 million
Net income	¥688,114 million

(Amounts per share)

(Yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Net assets per share	1,380.36	1,355.18
Basic earnings per share	190.96	81.59
Diluted earnings per share	190.96	81.59

Notes: 1. As stated in “Changes in accounting policies,” the Company adopted Accounting Standards Board of Japan (ASBJ) Guidance No. 28, *“Implementation Guidance on Tax Effect Accounting.”* The changes in accounting policies in the fiscal year ended March 31, 2019 have been retrospectively applied, and the consolidated financial statements for the prior fiscal year provided herein have been restated to reflect the retrospective application. As a result, net assets per share for the prior fiscal year have increased by ¥3.31 compared to the amount before the retrospective application.

2. As stated in “Changes in accounting policies,” the Company adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *“Revenue from Contracts with Customers,”* and the International Financial Reporting Standards (IFRS) 15, *“Revenue from Contracts with Customers,”* and applied the transitional treatment stipulated in said standards.
This change has caused a decrease of ¥2.70 in net assets per share and an increase of ¥12.27 in basic earnings per share for the fiscal year ended March 31, 2019.

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

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Basic earnings per share: Net income attributable to owners of parent (Millions of yen)	746,892	319,138
Net income attributable to owners of parent relating to common stock (Millions of yen)	746,892	319,138
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,911,158	3,911,716
Diluted earnings per share: Increase in shares of common stock (Thousands of shares)	58	4
(Exercise of share subscription rights (Thousands of shares))	58	4
Securities excluded from the computation of diluted earnings per share because they do not have dilutive effects.	—	—

4. The basis for calculation of the net assets per share is as follows.

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Total net assets (Millions of yen)	5,701,710	5,623,510
Amounts deducted from total net assets (Millions of yen)	303,998	320,835
(Share subscription rights (Millions of yen))	84	—
(Non-controlling interests (Millions of yen))	303,914	320,835
Net assets attributable to shares of common stock at year end (Millions of yen)	5,397,712	5,302,675
The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares)	3,910,356	3,912,904

(Significant subsequent events)

Not applicable.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

Company	Description	Date of Issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
*1	53rd unsecured bonds	April 28, 2010	20,000	20,000	1.744	None	April 28, 2020
*1	56th unsecured bonds (Note 2)	April 25, 2013	10,000	(10,000) 10,000	0.554	None	March 19, 2020
*1	57th unsecured bonds	April 25, 2014	100,000	—	0.314	None	March 20, 2019
*1	58th unsecured bonds	April 25, 2014	20,000	20,000	0.779	None	March 19, 2024
*1	59th unsecured bonds	April 15, 2016	80,000	80,000	0.15	None	March 19, 2021
*1	60th unsecured bonds	April 15, 2016	25,000	25,000	0.22	None	March 20, 2023
*1	61st unsecured bonds	April 15, 2016	20,000	20,000	0.33	None	March 19, 2026
*2	Bonds issued by subsidiaries (Note 2)	2014 - 2018	475,000	(150,000) 465,000	0.001 – 0.335	None	2019 - 2023
*3	Bonds issued by subsidiaries (Note 2)	2015 - 2018	1,193, 081 [$11,230,052 thousand]	(277,464) [$2,499,903 thousand] 1,154,038 [$10,397,678 thousand]	1.55 – 3.88	None	2019 - 2023
*3	Bonds issued by subsidiaries (Note 2)	2017 - 2018	30,069 [MXN 5,140,000 thousand]	(33,297) [MXN 5,800,800 thousand] 62,800 [MXN 10,940,800 thousand]	2.11 – 9.05	None	2020 - 2021
*3	Bonds issued by subsidiaries (Note 2)	2016 - 2018	164,760 [CAD 1,999,998 thousand]	(53,716) [CAD 650,000 thousand] 206,600 [CAD 2,499,999 thousand]	1.584 – 3.150	None	2019 - 2021
*3	Bonds issued by subsidiaries (Note 2)	2016 - 2018	85,743 [AUD 1,050,000 thousand]	(58,980) [AUD 750,000 thousand] 74,708 [AUD 950,000 thousand]	2.5 – 3.055	None	2019 - 2022
*3	Bonds issued by subsidiaries	2017 - 2018	60,388 [CNY 3,492,663 thousand]	137,155 [CNY 8,487,290 thousand]	4.29 – 4.95	None	2020 - 2021
Total (Note 2)		—	2,284,041	(583,457) 2,275,301	—		—

Notes: 1. *1 The Company *2 Domestic subsidiaries *3 Foreign subsidiaries

2. The amounts in parentheses presented under "Balance at the end of current fiscal year" represent the amounts scheduled to be redeemed within one year.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2019 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
583,457	790,058	467,172	314,120	100,494

Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year	Average interest rate (%)	Maturity
Short-term borrowings	461,849	447,027	2.84	—
Nonrecourse short-term borrowings	341,103	403,968	2.42	—
Current portion of long-term borrowings	472,681	626,900	3.01	—
Current portion of nonrecourse long-term borrowings	680,038	1,003,871	2.56	—
Commercial papers	402,918	697,549	1.92	—
Current portion of lease obligations	25,766	19,846	1.57	—
Long-term borrowings (excluding current portion)	1,771,081	1,572,206	2.91	April 2020 to October 2038
Nonrecourse long-term borrowings (excluding current portion)	1,282,631	966,980	2.78	April 2020 to February 2024
Lease obligations (excluding current portion)	16,248	16,038	1.16	April 2020 to January 2034
Total	5,454,315	5,754,385	—	—

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.

2. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2019.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	838,435	507,918	96,404	122,939
Nonrecourse long-term borrowings	590,454	285,585	87,194	3,747
Lease obligations	9,970	3,487	1,529	663

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2019 were less than one hundredth (1%) of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2019.

(2) Other

Quarterly financial information for the fiscal year ended March 31, 2019

(Millions of yen)

Cumulative period	1st Quarter (Three months ended June 30, 2018)	2nd Quarter (Six months ended September 30, 2018)	3rd Quarter (Nine months ended December 31, 2018)	4th Quarter (Fiscal year ended March 31, 2019)
Net sales	2,716,592	5,532,722	8,578,426	11,574,247
Income before income taxes	160,407	323,899	461,281	477,708
Net income attributable to owners of parent	115,829	246,258	316,663	319,138
Basic earnings per share (Yen)	29.62	62.97	80.96	81.59

Each quarter	1st Quarter (From April 1, 2018 To June 30, 208)	2nd Quarter (From July 1, 2018 To September 30, 2018)	3rd Quarter (From October 1, 2018 To December 31, 2018)	4th Quarter (From January 1, 2019 To March 31, 2019)
Basic earnings per share (Yen)	29.62	33.35	18.00	0.63

Significant lawsuits, etc. relating to operating and other matters

Mainly in the United States (“U.S.”) and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata’s airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation (“MDL”). The Company and Nissan North America, Inc. (“NNA”) have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. In September 2017, the court in the MDL granted preliminary approval to the proposed settlement. The total payment amount for the settlement will be $87.9 million to be paid over four years. In February 2018, the court in MDL granted final approval to the proposed settlement. At present, the lawsuits other than the above are still in progress.

2. Non-Consolidated Financial Statements

(1) Non-consolidated financial statements

① Non-consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2018)		Current fiscal year (As of March 31, 2019)
Assets				
Current assets				
Cash on hand and in banks		177,057		265,945
Trade accounts receivable	※1	516,935	※1	306,571
Finished goods		66,149		67,340
Work in process		24,253		29,379
Raw materials and supplies		96,968		114,344
Prepaid expenses		59,854		66,345
Short-term loans receivable from subsidiaries and affiliates		286,011		654,983
Accounts receivable - other	※1	147,067	※1	200,241
Other	※1	34,330	※1	33,595
Allowance for doubtful accounts		(13,550)		(19,528)
Total current assets		1,395,079		1,719,218
Fixed assets				
Property, plant and equipment				
Buildings		208,002		210,069
Structures		28,276		28,344
Machinery and equipment		149,426		154,487
Vehicles		10,690		9,046
Tools, furniture and fixtures		87,471		87,301
Land		127,176		126,872
Construction in progress		12,363		22,812
Total property, plant and equipment		623,408		638,935
Intangible fixed assets		57,551		68,774
Investments and other assets				
Investment securities		154,946		135,381
Investments in subsidiaries and affiliates		1,916,986		2,079,040
Long-term loans receivable from subsidiaries and affiliates		780,611		307,820
Deferred tax assets		124,103		150,294
Other		21,512		24,832
Allowance for doubtful accounts		(305)		(260)
Total investments and other assets		2,997,854		2,697,109
Total fixed assets		3,678,814		3,404,818
Total assets		5,073,894		5,124,037

(Millions of yen)

		Prior fiscal year (As of March 31, 2018)		Current fiscal year (As of March 31, 2019)
Liabilities				
Current liabilities				
Trade notes payable		10		—
Electronically recorded obligations - operating	※1	307,496	※1	285,529
Trade accounts payable	※1	480,444	※1	459,648
Short-term borrowings	※1	297,604	※1	571,937
Current portion of long-term borrowings		20,000		45,045
Commercial papers		—		135,000
Current portion of bonds		100,000		10,000
Lease obligations	※1	19,956	※1	15,600
Accounts payable-other	※1	204,991	※1	53,485
Accrued expenses	※1	326,592	※1	380,251
Income taxes payable		9,649		2,750
Advances received		82,869		90,536
Deposits received	※1	60,230	※1	61,348
Accrued warranty costs		20,808		19,210
Other		6,676		4,837
Total current liabilities		1,937,329		2,135,181
Long-term liabilities				
Bonds		175,000		165,000
Long-term borrowings		121,872		123,297
Long-term borrowings from subsidiaries and affiliates		103,779		56,052
Lease obligations	※1	21,044	※1	21,113
Accrued warranty costs		37,275		34,383
Accrued retirement benefits		63,109		65,961
Other	※1	17,687	※1	17,102
Total long-term liabilities		539,767		482,909
Total liabilities		2,477,097		2,618,091

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Net assets		
Shareholders' equity		
Common stock	605,813	605,813
Capital surplus		
Legal capital surplus	804,470	804,470
Other capital surplus	184	184
Total capital surplus	804,654	804,654
Retained earnings		
Legal reserve	53,838	53,838
Other retained earnings		
Reserve for reduction of replacement cost of specified properties	53,351	54,416
Reserve for special depreciation	12	9
Unappropriated retained earnings	1,054,466	991,381
Total retained earnings	1,161,669	1,099,646
Treasury stock	(28,747)	(28,752)
Total shareholders' equity	2,543,390	2,481,362
Valuation, translation adjustments and others		
Unrealized holding gain and loss on securities	53,729	24,752
Unrealized gain and loss from hedging instruments	(406)	(169)
Total valuation, translation adjustments and others	53,322	24,583
Share subscription rights	84	—
Total net assets	2,596,797	2,505,945
Total liabilities and net assets	5,073,894	5,124,037

② Non-consolidated statement of income

(Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)		Current fiscal year (From April 1, 2018 To March 31, 2019)	
Net sales	※1	3,750,617	※1	3,644,483
Cost of sales	※1	3,247,114	※1	3,233,986
Gross profit		503,502		410,497
Selling, general and administrative expenses	※1,※2	343,854	※1,※2,※3	363,091
Operating income		159,648		47,405
Non-operating income				
Interest income	※1	3,360	※1	4,923
Dividends income	※1	23,402	※1	212,363
Guarantee commission received	※1	20,165	※1	20,312
Derivative gain		—		1,976
Reversal of allowance for doubtful accounts		6,507		74
Other	※1	4,744	※1	3,394
Total non-operating income		58,179		243,045
Non-operating expenses				
Interest expense	※1	5,916	※1	7,238
Derivative loss		133		—
Exchange loss		7,327		136
Provision for doubtful accounts		3,843		9,128
Other	※1	2,649	※1	2,078
Total non-operating expenses		19,869		18,581
Ordinary income		197,958		271,869
Special gains				
Gain on sales of fixed assets		207		4,110
Gain on sales of business		—		13,891
Gain on sales of investment securities		161		—
Compensation income		929		—
Other		77		157
Total special gains		1,376		18,159
Special losses				
Loss on sales of fixed assets		357		469
Loss on disposal of fixed assets		5,068		8,760
Impairment loss		11,014		1,018
Loss on valuation of shares of subsidiaries and affiliates		12,872		84,916
Other		52		723
Total special losses		29,365		95,888
Income before income taxes		169,969		194,140
Income taxes-current		44,999		39,087
Income taxes-deferred		(4,075)		(13,499)
Total income taxes		40,924		25,587
Net income		129,044		168,552

③ Non-consolidated statement of changes in net assets

Prior fiscal year (From April 1, 2017 To March 31, 2018) (Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	—	804,470	53,838	53,746	13	1,067,328	1,174,928
Cumulative effects of changes in accounting policies								69,343	69,343
Restated balance	605,813	804,470	—	804,470	53,838	53,746	13	1,136,672	1,244,271
Changes of items during the period									
Cash dividends paid								(211,647)	(211,647)
Provision of reserve for reduction of replacement cost of specified properties						1		(1)	—
Reversal of reserve for reduction of replacement cost of specified properties						(397)		397	—
Provision of reserve for special depreciation							2	(2)	—
Reversal of reserve for special depreciation							(3)	3	—
Net income								129,044	129,044
Purchases of treasury stock									
Disposal of treasury stock			184	184					
Net changes of items other than those in shareholders' equity									
Total changes of items during the period			184	184		(395)	(1)	(82,205)	(82,602)
Balance at the end of current period	605,813	804,470	184	804,654	53,838	53,351	12	1,054,466	1,161,669

	Shareholders' equity		Valuation, translation adjustments and others			Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others		
Balance at the beginning of current period	(30,148)	2,555,063	45,228	(300)	44,928	391	2,600,382
Cumulative effects of changes in accounting policies		69,343					69,343
Restated balance	(30,148)	2,624,406	45,228	(300)	44,928	391	2,669,726
Changes of items during the period							
Cash dividends paid		(211,647)					(211,647)
Provision of reserve for reduction of replacement cost of specified properties							—
Reversal of reserve for reduction of replacement cost of specified properties							—
Provision of reserve for special depreciation							—
Reversal of reserve for special depreciation							—
Net income		129,044					129,044
Purchases of treasury stock	(6)	(6)					(6)
Disposal of treasury stock	1,407	1,592					1,592
Net changes of items other than those in shareholders' equity			8,500	(105)	8,394	(307)	8,087
Total changes of items during the period	1,401	(81,016)	8,500	(105)	8,394	(307)	(72,929)
Balance at the end of current period	(28,747)	2,543,390	53,729	(406)	53,322	84	2,596,797

Current fiscal year (From April 1, 2018 To March 31, 2019) (Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	184	804,654	53,838	53,351	12	1,054,466	1,161,669
Changes of items during the period									
Cash dividends paid								(230,575)	(230,575)
Provision of reserve for reduction of replacement cost of specified properties						1,499		(1,499)	—
Reversal of reserve for reduction of replacement cost of specified properties						(434)		434	—
Provision of reserve for special depreciation							0	(0)	—
Reversal of reserve for special depreciation							(3)	3	—
Net income								168,552	168,552
Purchases of treasury stock									
Net changes of items other than those in shareholders' equity									
Total changes of items during the period						1,065	(3)	(63,085)	(62,022)
Balance at the end of current period	605,813	804,470	184	804,654	53,838	54,416	9	991,381	1,099,646

	Shareholders' equity		Valuation, translation adjustments and others			Share subscription rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others		
Balance at the beginning of current period	(28,747)	2,543,390	53,729	(406)	53,322	84	2,596,797
Changes of items during the period							
Cash dividends paid		(230,575)					(230,575)
Provision of reserve for reduction of replacement cost of specified properties							—
Reversal of reserve for reduction of replacement cost of specified properties							—
Provision of reserve for special depreciation							—
Reversal of reserve for special depreciation							—
Net income		168,552					168,552
Purchases of treasury stock	(4)	(4)					(4)
Net changes of items other than those in shareholders' equity			(28,976)	237	(28,739)	(84)	(28,823)
Total changes of items during the period	(4)	(62,027)	(28,976)	237	(28,739)	(84)	(90,851)
Balance at the end of current period	(28,752)	2,481,362	24,752	(169)	24,583	—	2,505,945

[Notes to Non-consolidated Financial Statements]
(Significant accounting policies)

1. Valuation methods for securities
   (1) Held-to-maturity securities
   Held-to-maturity securities are stated at amortized cost (straight-line method).
   (2) Equity securities issued by subsidiaries and affiliates
   Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.
   (3) Other securities
   ①Marketable securities:
   Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Cost of securities sold is calculated by the moving average method.
   ②Non-marketable securities:
   Non-marketable securities classified as other securities are carried at cost determined by the moving average method.
   Investments in limited liability partnerships and similar investments, defined as securities by Article 2, Section 2 of the Financial Instruments and Exchange Law, are recognized at the net amount corresponding to the owning portion under the equity method based on the latest available financial statements of the partnerships.

2. Valuation methods for derivative financial instruments
   Derivative financial instruments are carried at fair value.

3. Valuation methods for inventories
   Inventories are stated at cost determined by the first-in and first-out method. (Cost of inventories is written-down when their carrying amounts become unrecoverable.)

4. Depreciation and amortization of fixed assets
   (1) Property, plant and equipment
   Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives and the estimated residual value determined by the Company.
   (2) Intangible fixed assets
   Amortization of intangible fixed assets is calculated by the straight-line method.
   Amortization of software for internal use is calculated by the straight-line method over the estimated useful life (5 years).
   (3) Leased assets
   Depreciation of leased assets is calculated by the straight-line method based on either the estimated useful lives or the lease terms and the estimated residual value determined by the Company.

5. Foreign currency translation
   Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are recognized as gain or loss.

6. Basis for reserves
   (1) Allowance for doubtful accounts
   Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.
   (2) Accrued warranty costs
   Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.
   (3) Accrued retirement benefits
   Accrued retirement benefits or prepaid pension costs are recorded at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year.
   For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.
   Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
   Actuarial gain and loss are amortized from the year following the year in which the gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

7. Hedge accounting

(1) Hedge accounting

Primarily, deferred hedge accounting is applied for derivative instruments. Short-cut method, "Furiate-Shori," is applied for forward exchange contracts which are qualified for such treatment and related to the hedged items other than foreign currency denominated accounts receivables.

Special treatment, "Tokurei-Shori," is applied for interest rate swaps which are qualified for such treatment.

(2) Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

· Hedged items.....Mainly receivables and payables denominated in foreign currencies and others

(3) Hedging policy

Based on the internal risk management rules and authority regarding derivative transactions, expected risks such as fluctuations in foreign exchange and interest rate are hedged within certain extent.

(4) Assessment of hedge effectiveness

The assessment of hedge effectiveness is omitted when the terms of hedged items are substantially same as those of hedging instruments.

8. Other significant accounting policies

(1) Accounting for retirement benefit

The accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost are different from those of the consolidated financial statements.

(2) Accounting for the consumption taxes

Transactions subject to the consumption taxes are recorded at amounts exclusive of the consumption taxes.

(3) Adoption of consolidated taxation system

The Company adopts the consolidated taxation system.

(Changes in accounting policies)

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

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

In line with the adoption of this guidance, a reversal of deferred tax liabilities was made regarding taxable temporary differences relating to shares, etc. of subsidiaries.

The change in accounting policies in line with the adoption of this guidance has been retrospectively adopted and the retrospective adoption is reflected on the non-consolidated financial statements for the prior fiscal year. As a result, compared with the accounting prior to retrospective adoption, on the non-consolidated balance sheet for the prior fiscal year, deferred tax liabilities decreased by ¥69,343 million, whereas retained earnings increased by ¥69,343 million. Net assets per share for the prior fiscal year increased by ¥16.54. There is no impact on basic earnings per share and diluted earnings per share for the prior fiscal year.

(Changes in presentation)

Application of the *"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc."*

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

As a result, on the non-consolidated balance sheet for the prior fiscal year, ¥107,801 million previously presented as "Deferred tax assets" under "Current assets," and ¥53,041 million previously presented as "Deferred tax liabilities" under "Current liabilities" are now presented as ¥124,103 million as "Deferred tax assets" under "Investment and other assets," together with the ¥69,343 million reversal of deferred tax liabilities, which was mentioned in "Changes in accounting policies" above.

As a result of offsetting "Deferred tax assets" and "Deferred tax liabilities" together with the reversal of deferred tax liabilities, total assets for the prior fiscal year increased by ¥16,301 million.

(For non-consolidated balance sheets)

1 ※1 Monetary receivables from and payables to subsidiaries and affiliates (except for separately disclosed)

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Short-term monetary receivables	546,857	379,995
Short-term monetary payables	848,347	958,394
Long-term monetary payables	11,841	10,951

2 Guarantees and others

Prior fiscal year (As of March 31, 2018)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※ 31,413	Guarantees for employees' housing loans
Nissan Motor Manufacturing (UK) Ltd.	7,933	Guarantees for loans to purchase fixed assets
Automotive Energy Supply Corporation	1,800	Guarantees for loans to purchase fixed assets
Nissan South Africa (Pty) Ltd.	1,257	Guarantees for loans for working capital
Nissan North America, Inc.	372	Guarantees for loans to purchase fixed assets
10 domestic dealers	770	Guarantees for loans for working capital
Total	43,547	※Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	53	Commitments to provide guarantees for loans

(3) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2018 were as follows.

Company name	Balance of liabilities (Millions of yen)
Nissan Motor Acceptance Corporation	4,672,375
Nissan Financial Services Co., Ltd.	788,000
Nissan Financial Services Australia Pty Ltd.	369,511
Nissan Canada Financial Services Inc.	279,268
Nissan Canada Inc.	105,714
Nissan Leasing (Thailand) Co., Ltd.	100,899
Nissan Financial Services New Zealand Pty Ltd.	20,354
Total	6,336,123

Current fiscal year (As of March 31, 2019)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※ 25,934	Guarantees for employees' housing loans
Nissan Motor Manufacturing (UK) Ltd.	6,698	Guarantees for loans to purchase fixed assets
Nissan South Africa (Pty) Ltd.	838	Guarantees for loans for working capital
Nissan North America, Inc.	262	Guarantees for loans to purchase fixed assets
10 domestic dealers	385	Guarantees for loans for working capital
Total	34,119	※Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	38	Commitments to provide guarantees for loans

(3) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2019 were as follows.

Company name	Balance of liabilities (Millions of yen)
Nissan Motor Acceptance Corporation	4,691,104
Nissan Financial Services Co., Ltd.	883,000
Nissan Financial Services Australia Pty Ltd.	390,290
Nissan Canada Financial Services Inc.	285,438
Nissan Canada Inc.	148,634
Nissan Leasing (Thailand) Co., Ltd.	111,088
Nissan Financial Services New Zealand Pty Ltd.	27,864
Total	6,537,420

(For non-consolidated statement of income)

1 ※1 Transactions with subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Operating transactions:		
Sales	3,216,776	3,090,500
Operating expenses	1,447,177	1,547,071
Non-operating transactions	57,669	253,140

2 ※2 Major components of selling, general and administrative expenses are as follows. (Millions of yen)

	Prior fiscal year (From April 1, 2017 To March 31, 2018)	Current fiscal year (From April 1, 2018 To March 31, 2019)
Service costs	42,459	61,257
Provision for accrued warranty costs	16,286	15,722
Other selling expenses	61,361	55,051
Salaries and wages	82,155	85,467
Retirement benefit expenses	1,374	2,224
Outsourcing expenses	38,201	48,395
Depreciation and amortization	19,457	20,029
Provision for doubtful accounts	517	(1,999)

Selling expenses account for approximately 40% of the selling, general and administrative expenses in the current fiscal year, which is almost unchanged from the prior fiscal year.

3 ※3 Compensation paid to Directors and Statutory Auditors

Regarding the false statements in the Company’s Securities Reports as to the compensation paid to a former Director of the Company, ¥4,411 million of additional compensation, which was not recognized in prior years, has been reflected in “selling, general and administrative expenses” for the current fiscal year, based on the Company’s own investigation and the charges claimed by the prosecution. The amount of the additional compensation paid is the best possible estimate based on the information that has become available to the Company, and the final amount could therefore be different from the said estimate.

(For securities)
Investments in subsidiaries and affiliates

Prior fiscal year (As of March 31, 2018)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	192,966	178,857
② Affiliates' shares	237,361	385,538	148,176
Total	251,471	578,505	327,034

Current fiscal year (As of March 31, 2019)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	174,373	160,264
② Affiliates' shares	237,361	297,892	60,531
Total	251,471	472,266	220,795

Note: The amounts of investments in subsidiaries and affiliates recorded in the non-consolidated balance sheets for which it is deemed difficult to measure the fair value.

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
① Subsidiaries' shares	1,652,904	1,807,848
② Affiliates' shares	12,611	19,720

These shares are not included in "Investments in subsidiaries and affiliates" because they do not have a market value and their fair value is not easily determinable.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Deferred tax assets:		
Research and development expenses	50,514	70,818
Loss on valuation of securities	24,759	49,144
Accrued expenses	37,380	39,803
Accrued retirement benefits	28,051	27,968
Accrued warranty costs	17,759	16,388
Other	46,666	40,324
Total gross deferred tax assets	205,131	244,447
Valuation allowance	(33,045)	(58,845)
Total deferred tax assets	172,086	185,601
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law	(23,500)	(23,972)
Unrealized holding gain on securities	(23,404)	(10,608)
Other	(1,078)	(726)
Total deferred tax liabilities	(47,983)	(35,306)
Net deferred tax assets	124,103	150,294

2. The reconciliation between the effective tax rates reflected in the non-consolidated financial statements and the statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Statutory tax rate of the Company	30.8%	30.6%
(Reconciliation)		
Items not permanently qualifying for deduction	0.5%	2.8%
Dividends income excluded from gross revenue	(2.7%)	(31.1%)
Tax credits	(10.8%)	(7.9%)
Change in valuation allowance	1.2%	13.3%
Foreign withholding tax	0.5%	6.8%
Other	4.6%	(1.3%)
Effective tax rate after adoption of tax-effect accounting	24.1%	13.2%

(Significant subsequent events)

Not applicable.

④ Non-consolidated supplemental schedules

Detailed schedule of fixed assets

(Millions of yen)

Category	Type of assets	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Depreciation or amortization for the current fiscal year	Balance at the end of the current fiscal year	Accumulated depreciation or amortization
Property, plant and equipment	Buildings	208,002	12,448	998	9,382	210,069	309,922
	Structures	28,276	2,060	78	1,913	28,344	79,963
	Machinery and equipment	149,426	35,648	4,704	25,882	154,487	770,309
	Vehicles	10,690	3,075	1,130	3,588	9,046	19,593
	Tools, furniture and fixtures	87,471	34,399	3,253	31,316	87,301	233,797
	Land	127,176	—	304	—	126,872	—
	Construction in progress	12,363	22,787	12,338	—	22,812	—
	Total	623,408	110,420	22,809	72,084	638,935	1,413,586
Intangible fixed assets		57,551	32,928	3,388 (1,018)	18,316	68,774	209,118

Note: The figure in parentheses in the "Decrease in the current fiscal year" column represents the amounts of impairment loss included.

Detailed schedule of allowances

(Millions of yen)

Account	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Balance at the end of the current fiscal year
Allowance for doubtful accounts	13,856	9,140	3,206	19,789
Accrued warranty costs	58,083	16,642	21,132	53,593

(2) Details of major assets and liabilities

This information is omitted because the Company prepares consolidated financial statements.

(3) Other

Not applicable.

6. Information on Transfer and Repurchase of the Company's Stock

Fiscal year	From April 1 To March 31
General meeting of shareholders	June
Record date for dividend	March 31
Record dates for dividend of surplus	September 30 and March 31
Number of shares per unit of the Company's stock	100 shares
Repurchase of stocks of less than a standard unit	
Address where repurchases are processed	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited.
Administrator of shareholders' register	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited.
Offices available for repurchase	—
Charges for repurchase	Handling charges as set by the securities companies designated by the Company for the repurchase plus the related consumption tax
Method of public notice	Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the *Nihon Keizai Shimbun.* The electronic public notice is presented on the Company's Web site at https://www.nissan-global.com/EN/IR/
Special benefits to shareholders	None

Note: According to the Company's Articles of Incorporation where the rights of shareholders holding stocks of less than a standard unit are prescribed, the holder of stocks of less than a standard unit shall not be entitled to exercise the rights of shareholders in connection with such below-unit shares other than those rights listed below:

(1) The rights stipulated in each item of Article 189, Paragraph 2, of the Corporate Law;
(2) The right to make a claim in accordance with Article 166, Paragraph 1, of the Corporate Law; and
(3) The right to subscribe for new shares or new share subscription rights in proportion to the number of the shares owned by said shareholder.

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7. Reference Information on the Company

1. Information on the parent company or equivalent of the Company

The Company has no parent company or equivalent as prescribed in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Law.

2. Other reference information

The Company filed the following documents between the beginning of the fiscal year ended March 31, 2019 and the date when this Securities Report *(Yukashoken-Hokokusho)* was filed.

(1)	Securities Report and Accompanying Documents and Confirmation Note	Fiscal Year (the 119th)	From April 1, 2017 To March 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on June 28, 2018.
(2)	Internal Control Report	Fiscal Year (the 119th)	From April 1, 2017 To March 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on June 28, 2018.
(3)	Quarterly Securities Reports and Confirmation Notes	(The 1st quarter of 120th period)	From April 1, 2018 To June 30, 2018	Submitted to the director of the Kanto Local Finance Bureau on July 30, 2018.
		(The 2nd quarter of 120th period)	From July 1, 2018 To September 30, 2018	Submitted to the director of the Kanto Local Finance Bureau on November 12, 2018.
		(The 3rd quarter of 120th period)	From October 1, 2018 To December 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on February 14, 2019.
(4)	Extraordinary Reports An extraordinary report according to the provision of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9-2 (Matters that require a resolution of a general meeting of shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on June 28, 2018.
	An extraordinary report according to the provision of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9-2 (Matters that require a resolution of a general meeting of shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on April 10, 2019.
(5)	Extraordinary Report An extraordinary report according to the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9, of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on November 26, 2018.
(6)	Extraordinary Report An extraordinary report according to the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 12, of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on May 15, 2019.
(7)	Amendment to Securities Report	Fiscal Year (the 107th)	From April 1, 2005 To March 31, 2006	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(8)	Amendment to Securities Report	Fiscal Year (the 108th)	From April 1, 2006 To March 31, 2007	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(9)	Amendment to Securities Report	Fiscal Year (the 109th)	From April 1, 2007 To March 31, 2008	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(10)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 110th)	From April 1, 2008 To March 31, 2009	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(11)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 111th)	From April 1, 2009 To March 31, 2010	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(12)	Amendment to Internal Control Report	Fiscal Year (the 111th)	From April 1, 2009 To March 31, 2010	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.

(13)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 112th)	From April 1, 2010 To March 31, 2011	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(14)	Amendment to Internal Control Report	Fiscal Year (the 112th)	From April 1, 2010 To March 31, 2011	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(15)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 113th)	From April 1, 2011 To March 31, 2012	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(16)	Amendment to Internal Control Report	Fiscal Year (the 113th)	From April 1, 2011 To March 31, 2012	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(17)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 114th)	From April 1, 2012 To March 31, 2013	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(18)	Amendment to Internal Control Report	Fiscal Year (the 114th)	From April 1, 2012 To March 31, 2013	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(19)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 115th)	From April 1, 2013 To March 31, 2014	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(20)	Amendment to Internal Control Report	Fiscal Year (the 115th)	From April 1, 2013 To March 31, 2014	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(21)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 116th)	From April 1, 2014 To March 31, 2015	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(22)	Amendment to Internal Control Report	Fiscal Year (the 116th)	From April 1, 2014 To March 31, 2015	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(23)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 117th)	From April 1, 2015 To March 31, 2016	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(24)	Amendment to Internal Control Report	Fiscal Year (the 117th)	From April 1, 2015 To March 31, 2016	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(25)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 118th)	From April 1, 2016 To March 31, 2017	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(26)	Amendment to Internal Control Report	Fiscal Year (the 118th)	From April 1, 2016 To March 31, 2017	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(27)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 119th)	From April 1, 2017 To March 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(28)	Amendment to Internal Control Report	Fiscal Year (the 119th)	From April 1, 2017 To March 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)
Independent Auditor's Report

June 26, 2019

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Takeshi Hori
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

<Financial statements audit>

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. included in "Financial Information" for the fiscal year from April 1, 2018 to March 31, 2019, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in net assets and cash flows, the significant accounting policies, the other related notes, and the consolidated supplemental schedules.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and consolidated subsidiaries as at March 31, 2019, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

<Internal control audit>

Pursuant to Article 193-2, Section 2, of the Financial Instruments and Exchange Law of Japan, we also have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2019 of Nissan Motor Co., Ltd. (the "Management's Report").

Management's Responsibility for the Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of the Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibility

Our responsibility is to express an opinion on the Management's Report based on our internal control audit. We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Management's Report is free from material misstatement.

An internal control audit involves performing procedures to obtain audit evidence about the result of management's assessment on internal control over financial reporting in the Management's Report. The procedures selected depend on the auditor's judgment, including the materiality of effect on the reliability of financial reporting. An internal control audit also includes evaluating the overall presentation of the Management's Report, including disclosures on scope, procedures and conclusions of management's assessment of internal control over financial reporting.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2019 of Nissan Motor Co., Ltd. is effective, present fairly, in all material respects, the result of management's assessment on internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Notes:

1. The above is a digitization of the text contained in the original copy of the Independent Auditors' Report on Financial Statements and Internal Controls, which is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

(For Translation Purposes Only)
Independent Auditor's Report

June 26, 2019

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Takeshi Hori
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying non-consolidated financial statements of Nissan Motor Co., Ltd. included in "Financial Information" for the 120th fiscal year from April 1, 2018 to March 31, 2019, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in net assets, the significant accounting policies, the other related notes, and the non-consolidated supplemental schedules.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. The purpose of an audit of the non-consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Nissan Motor Co., Ltd. as at March 31, 2019, and its non-consolidated financial performance for the year then ended in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Notes:
1. The above is a digitization of the text contained in the original copy of the Independent Auditors' Report on Financial Statements and Internal Controls, which is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

【Cover】

【Document Submitted】	Internal Control Report (“Naibutousei-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-4, Paragraph 1, of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 27, 2019
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Hiroshi Karube, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Basic Framework of Internal Control Over Financial Reporting

Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd. (the “Company”) and Hiroshi Karube, Executive Officer, Chief Financial Officer, having the responsibility to design and operate internal control over financial reporting of the Company, designs and operates such internal control of the Company in accordance with the basic framework set forth in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Note that internal control aims at achieving its objectives to a reasonable extent given that all individual components of internal control are integrated, and function as a whole. Thus, internal control over financial reporting may not be able to completely prevent or detect misstatement in financial reporting.

2. Scope of Assessment, Assessment Date and Assessment Procedure

Assessment of internal control over financial reporting was performed as of March 31, 2019 (i.e., the last day of the current fiscal year) in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, the management first assessed company-level control which would have a material impact on the reliability of overall financial reporting on a consolidated basis, and based on such result, the management then selected the business processes to be assessed. In the process-level control assessment, the management assessed the effectiveness of internal control by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of such key controls.

Management determined the scope of assessment of internal control over financial reporting, by selecting the Company, consolidated subsidiaries and companies accounted for by the equity method based on their materiality of impacts on the reliability of financial reporting. The materiality of the impacts on the reliability of financial reporting was determined in consideration of both quantitative and qualitative aspects, and the management reasonably determined the scope of assessment of process-level control based on the result of the company-level control assessment.

For the purpose of determining the scope of process-level control assessment, business locations were selected as “Significant Business Locations”, which comprises the Company and its consolidated subsidiaries selected in descending order based on their previous fiscal year’s consolidated net sales (after elimination) and contributed approximately two-thirds of the Company’s consolidated net sales in the aggregate. In such Significant Business Locations, all business processes related to the accounts that are closely associated with the Company’s business objectives, such as sales, accounts receivable, and inventory were included in the scope of assessment.

Furthermore, regardless of the Significant Business Locations, certain business processes related to significant accounts involving estimates and management’s judgment, or related to a business or operation dealing with high-risk transactions were added to the scope of assessment as “business processes with material impacts on financial reporting.”

Particularly, in the assessment of company-level control and the process-level control in the current fiscal year, additional assessments were included in scope, whether the authority of human resources and compensation is concentrated on a specific director, whether the supervision function of the Board of Directors is functioning effectively, and whether the checking function over certain administrative departments is effective. This is due to the fact that the Company found understatements of disclosures on the directors' compensation in the annual securities reports from the fiscal year ended March 31, 2006 to the fiscal year ended March 31, 2018 as the Company’s former Representative Director and Chairman, Carlos Ghosn (hereinafter,“Mr. Ghosn”), and other executives’ compensation, Ghosn's usage of corporate funds for private purposes and obscure spending using "CEO reserve" as a system for enabling to spend outside the framework of the budget management. As pointed out as the root causes of this matter in the report of the Special Committee for Improving Governance on March 27, 2019, this was due to the concentration of authority in Mr. Ghosn, including decision making role over human resources and compensation. Specifically, Mr. Ghosn was able to take actions that deviated from the management policies and ethical rules under the situation where, on top of partial failure of the supervisory function of the Board of Directors, by concentrating the powers of certain administrative departments on a certain number of people, he made certain administrative departments obscure and caused partial failure of the checks and balances over functions of each internal department. Considering the root cause, the Company decided to conduct the additional assessments on internal control over financial reporting.

3. Assessment Result

Based on the above mentioned assessment results, the management concluded that the internal control over financial reporting at the end of the current fiscal year was effective.

4. Supplementary Information

Not applicable

5. Special Affairs

(1) Status of the material weakness at the end of the previous fiscal year

In response to the discovery of (a) misconducts by its former Representative Director and Chairman, Mr. Ghosn, its former Representative Director, Mr. Greg Kelly and individuals who may have acted in concert with them and (b) other matters which may affect the accuracy of the Company's disclosure of director and statutory auditor compensation, the Company submitted Amendment to Internal Control Report on May 14, 2019 as there was a material weakness in its certain internal controls over financial reporting from the fiscal year ended March 31, 2010 to the fiscal year ended March 31, 2018.

The Company has taken it seriously that material weakness in company level internal controls led to inappropriate disclosures, and has already completed the following remediation plans since the discovery of the misconducts to address the material weakness.

1. The removal of the two representative directors who committed misconducts from the Board of Directors
2. The abolishment of the authority of Chairman of the Board of Directors to determine individual director compensation and individual "Top Line Management" compensation
3. The prohibition of receipt by any director or statutory auditor of compensation from any subsidiary, affiliate or related party of Nissan (consolidated or non-consolidated), except after approval by the Board of Directors on a full disclosure basis.
4. The abolishment of the CEO Reserve
5. Conducting pre-meetings to enable active discussions at the Board of Directors meeting
6. Enhanced Code of conduct training for directors and corporate officers

Based on the remediation plans above, the Company determined that the environment where the concentration of authority on specific director was resolved, and the Board of Directors had a substantial supervision function. The Company also determined that the policies and procedures were in place in order to enhance the checking control function properly through making certain administration department visible. The Company confirmed that the environment where a specific director was able to take actions that deviated from the management policies and ethical rules was removed, based on evaluating operation situations through the status of preparation of related documents and the status of implementation of meetings.

In addition to the above, the Company has confirmed the establishment and completion of appropriate accounting process management strengthening related to director compensation that includes reconciliation between director compensation details and accounting records, and final true-up of SARs exercise in addition to original disclosures, for the preparation of the current annual securities reports.

As a result, the Company concluded that the internal control over financial reporting at the end of the current fiscal year was effective based on the correction of this material weakness.

(2) Continuous governance improvement actions

By the resolution of the 120th Annual General Meeting of Shareholders on June 25, 2019, the Company has decided to transition to the three committee format at the Board of Directors, as one of the pillars for governance improvement.

Furthermore, the process for communication from Board of Directors and Executive Committee to the Finance department of any proposals related to the creation, dissolution, and other investments in legal entities, has been established as the Company continuously strive to improve management and operations.

As seen from above actions, the Company takes the recommendations from the Special Committee for Improving Governance very seriously and for the purpose of improving governance, reforming the corporate culture, re-establishing corporate ethics, making appropriate disclosures of company information, and ensuring compliance, the below improvement actions are also being implemented, with regular status monitoring.

1. Enhancing and changing composition and function of Board of Directors
2. Strengthening the supervision function of Internal Audit
3. Reestablishment of corporate ethics
4. Reassessment of the function and authority granted to the internal department
5. Enhancing whistleblower system

【Cover】

【Document Submitted】	Confirmation Note
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-2, Paragraph 1, of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 27, 2019
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Hiroshi Karube, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Accuracy of the Descriptions in This Securities Report

Hiroto Saikawa, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd., and Hiroshi Karube, Executive Officer, Chief Financial Officer have confirmed that this Securities Report “Yukashoken-Houkokusho (from April 1, 2018 to March 31, 2019) ” of the 120th Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Law.

2. Special Affairs

There are no noteworthy matters that are pertinent to this securities report.