

Quarterly Securities Report

First Quarter of FY2018

(From April 1, 2018 To June 30, 2018)

(The English translation of the Quarterly Securities Report “Shihanki-Houkokusho”)

Nissan Motor Co., Ltd.

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【Document Submitted】	Quarterly Securities Report (“Shihanki-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	July 30, 2018
【Accounting Period】	First Quarter of the 120th Fiscal Year (From April 1, 2018 To June 30, 2018)
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
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Part I Information on the Company

1. Overview of the Company

1. Key financial data and trends

Fiscal year		119th Prior First Quarter	120th Current First Quarter	119th
Accounting period		(From April 1, 2017 To June 30, 2017)	(From April 1, 2018 To June 30, 2018)	(From April 1, 2017 To March 31, 2018)
Net sales	Millions of yen	2,760,436	2,716,592	11,951,169
Ordinary income	Millions of yen	189,600	158,902	750,302
Net income attributable to owners of parent	Millions of yen	134,916	115,829	746,892
Comprehensive income	Millions of yen	124,917	74,290	740,338
Net assets	Millions of yen	5,195,902	5,594,142	5,701,710
Total assets	Millions of yen	18,491,209	18,672,894	18,739,935
Basic earnings per share	Yen	34.49	29.62	190.96
Diluted earnings per share	Yen	34.49	29.62	190.96
Net assets as a percentage of total assets	%	26.5	28.4	28.8
Cash flows from operating activities	Millions of yen	110,373	322,279	1,071,250
Cash flows from investing activities	Millions of yen	(294,314)	(136,386)	(1,147,719)
Cash flows from financing activities	Millions of yen	71,763	(205,466)	36,810
Cash and cash equivalents at end of the period	Millions of yen	1,124,505	1,174,380	1,206,000

Notes: 1. Non-consolidated financial data is not presented as Nissan Motor Co., Ltd. (the “Company”) prepares quarterly consolidated financial statements.

2. Net sales are presented exclusive of consumption tax.

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 adopted from the beginning of the current first quarter. Key financial data, etc. concerning the prior first quarter and the prior fiscal year are presented as figures after the retrospective adoption of these accounting standards, etc.

2. Description of business

There have been no significant changes in the business in which the Company and its subsidiaries and affiliates (collectively, the “Group”) operate during the first quarter ended June 30, 2018. No changes were made to major subsidiaries and affiliates.

2. Business Overview

1. Business and other risks

During the first quarter ended June 30, 2018, there were no unusual fluctuations with regard to financial position, operating results and cash flows or important changes in the “Business and other risks,” which are described in the securities report of the prior fiscal year.

2. Management’s analysis of financial position, operating results and cash flows

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of June 30, 2018, the end of the current first quarter.

(1) Financial position and operating results

For the three months ended June 30, 2018 (the “current first quarter”), the Group’s net sales amounted to ¥2,716.6 billion, a decrease of ¥43.8 billion (1.6%) from the corresponding period of the last year (the “prior first quarter”). Operating income decreased by ¥44.2 billion (28.8%) to ¥109.1 billion on a consolidated basis.

Net non-operating income of ¥49.8 billion was recorded for the current first quarter, increased by ¥13.5 billion from the prior first quarter. As a result, ordinary income decreased by ¥30.7 billion (16.2%) from the prior first quarter to ¥158.9 billion. Net special gains of ¥1.5 billion were recorded, improved by ¥5.0 billion from the prior first quarter. Income before income taxes decreased by ¥25.7 billion (13.8%) to ¥160.4 billion compared with the prior first quarter. Finally, net income attributable to owners of parent of ¥115.8 billion was recorded for the current first quarter, a decrease of ¥19.1 billion (14.1%) from the prior first quarter.

(2) Cash flows

Cash and cash equivalents at June 30, 2018 decreased by ¥31.6 billion (2.6%) from the end of the prior fiscal year to ¥1,174.4 billion. This reflected ¥322.3 billion in net cash provided by operating activities, ¥136.4 billion in net cash used in investing activities and ¥205.5 billion in net cash used in financing activities, as well as a decrease of ¥13.1 billion in the effects of exchange rate changes on cash and cash equivalents and a ¥1.1 billion increase attributable to a change in the scope of consolidation.

(3) Production and sales

Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior first quarter	Current first quarter		
Japan	245,389	229,217	(16,172)	(6.6)
The United States of America	236,673	200,075	(36,598)	(15.5)
Mexico	220,444	179,134	(41,310)	(18.7)
The United Kingdom	120,897	126,422	5,525	4.6
Spain	26,418	29,136	2,718	10.3
Russia	11,365	13,604	2,239	19.7
Thailand	29,870	38,889	9,019	30.2
Indonesia	3,109	3,853	744	23.9
Philippines	1,294	1,047	(247)	(19.1)
India	62,236	42,956	(19,280)	(31.0)
South Africa	7,463	10,870	3,407	45.7
Brazil	14,621	27,294	12,673	86.7
Egypt	2,803	4,325	1,522	54.3
Total	982,582	906,822	(75,760)	(7.7)

Note: The figures represent the production figures for the 3-month period from April 1 to June 30, 2018.

Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Prior first quarter	Current first quarter		
Japan	123,652	124,302	650	0.5
North America	537,303	432,611	(104,692)	(19.5)
(The United States of America included therein)	392,544	328,168	(64,376)	(16.4)
Europe	170,883	154,609	(16,274)	(9.5)
Asia	87,719	77,524	(10,195)	(11.6)
Other overseas countries	110,946	138,593	27,647	24.9
Total	1,030,503	927,639	(102,864)	(10.0)

Note: The figures in China and Taiwan, which are included in “Asia” represent the sales figures for the 3-month period from January 1 to March 31, 2018. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 3-month period from April 1 to June 30, 2018.

(4) Results of segments

(Business segments)

a. Automobiles

The Group’s worldwide automobile sales (on a retail basis) for the current first quarter decreased by 3.0% from the prior first quarter to 1,310 thousand units.

Net sales in automobile segment (including inter-segment sales) for the current first quarter decreased by ¥67.9 billion (2.7%) from the prior first quarter to ¥2,463.6 billion. Operating income decreased by ¥52.4 billion (58.0%) to ¥38.0 billion from the prior first quarter. A major profit-decreasing factor were increase of raw materials cost and foreign exchange rate movement.

b. Sales Finance

Net sales in the sales finance segment (including inter-segment sales) for the current first quarter increased by ¥20.3 billion (7.4%) to ¥293.7 billion. Operating income for the current first quarter increased by ¥8.3 billion (15.1%) from the prior first quarter to ¥63.1 billion.

(Geographic segments)

a. Japan

The overall demand for vehicles decreased by 1.0% in the domestic market, and the number of vehicles sold in Japan decreased by 0.8%, resulting in 130 thousand units, accounting for a market share of 10.9%, as same points as the prior first quarter.

Net sales (including inter-segment sales) for the current first quarter increased by ¥7.7 billion (0.7%) from the prior first quarter to ¥1,106.9 billion.

Operating income decreased by ¥37.6 billion (39.5%) from the prior first quarter to ¥57.6 billion.

A major profit-decreasing factor were foreign exchange rate movement, increase of raw materials cost, and increase of R&D and manufacturing cost despite a favorable effect of reduction in purchasing costs.

b. North America

The overall demand for vehicles in the United States of America increased by 1.8%, while the number of vehicles sold in the United States of America decreased by 9.5% to 365 thousand units, accounting for a market share of 8.1%. The number of vehicles sold in North America, including Mexico and Canada, decreased by 9.5% to 482 thousand units.

Net sales (including inter-segment sales) for the current first quarter decreased by ¥166.4 billion (10.4%) to ¥1,436.1 billion.

Operating income decreased by ¥1.3 billion (2.6%) from the prior first quarter to ¥49.5 billion.

A major profit-decreasing factor were decrease in the number of vehicle sold and increase of raw materials cost despite favorable effects of reduction in purchasing costs and foreign exchange rate movement.

c. Europe

The overall demand for vehicles in Europe increased by 6.6%, and the number of vehicles sold in Europe excluding Russia decreased by 14.4% to 139 thousand units, accounting for a market share of 2.9%. The number of vehicles sold in Russia decreased by 0.6% to 23 thousand units.

Net sales (including inter-segment sales) for the current first quarter increased by ¥26.7 billion (6.3%) to ¥448.0 billion.

Operating loss of ¥4.7 billion was recorded, deteriorating by ¥2.0 billion from the prior first quarter.

A major deteriorating factor was foreign exchange rate movement despite a favorable effect of reduction in purchasing costs.

d. Asia

Sales volume in Asia and Oceania market, excluding China, decreased by 7.4% to 76 thousand units. Net sales in Asia and Oceania (including intersegment sales) for the current fiscal year increased by ¥20.8 billion (5.9%) from the prior first quarter to ¥374.7 billion.

Operating income for the current fiscal year was ¥17.8 billion, an increase of ¥0.4 billion (1.9%) from the prior first quarter.

The overall demand for vehicles in China increased by 2.3%, and the number of vehicles sold in China increased by 6.9% to 336 thousand units, accounting for a market share of 5.0%. 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

The number of vehicles sold in other countries including Africa, Central and South America excluding Mexico, and Middle East increased by 17.5% to 124 thousand units.

Net sales (including inter-segment sales) for the current first quarter increased by ¥62.6 billion (29.8%) from the prior first quarter to ¥272.3 billion.

Operating loss of ¥0.2 billion was recorded, improving by ¥0.9 billion from the prior first quarter.

(5) Analysis of sources of capital and liquidity

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥211.9 billion to ¥322.3 billion in the current first quarter from ¥110.4 billion provided in the prior first quarter. 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 ¥157.9 billion to ¥136.4 billion in the current first quarter from ¥294.3 billion used in the prior first quarter. This was mainly attributable to an increase in proceeds from a net decrease in restricted cash and 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 ¥205.5 billion in the current first quarter, an increase in cash outflows of ¥277.3 billion compared with ¥71.8 billion provided in the prior first quarter. This was mainly attributable to a decrease in net proceeds from short-term borrowings and a decrease in proceeds from long-term borrowings.

Cash and cash equivalents at June 30, 2018 decreased by ¥31.6 billion (2.6%) from the end of the prior fiscal year to ¥1,174.4 billion, which was included a decrease of ¥13.1 billion in the effects of exchange rate changes on cash and cash equivalents and a ¥1.1 billion increase attributable to a change in the scope of consolidation.

b. Financial policies

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 held, the Group believes that a level of liquidity is sufficient to meet the Group's funding requirements.

(6) 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 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.

The mission of the six-year midterm plan “Nissan M.O.V.E. to 2022” announced on November 8, 2017 is to achieve sustainable growth and to lead the technology and business evolution of the automotive industry. Because China market is one of the most important markets for the global automotive market today, this midterm plan of 8% operating margin, which is one of the Group’s KPIs, is based on the proportionate consolidation of the Chinese joint venture. By the end of the plan, the Group aims to grow revenues to ¥16,500 billion, and generate a cumulative ¥2,500 billion of automotive free cash flow, with 8% operating margin.

(7) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the current first quarter are as follows. Since the discovery in 2017 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. A full and comprehensive investigation of the facts, including the causes and background of the misconduct, is underway. This issue came to light during the course of voluntary checks conducted by Nissan. As a companywide exercise, Nissan will continue to carry out comprehensive checks of frameworks, organizations and processes related to regulatory compliance.

(8) Research-and-development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields toward the realization of a sustainable, motorized society in the future. The research-and-development costs of the Group amounted to ¥122.8 billion for the current first quarter.

3. Important business contracts

No important business contracts were determined or entered into during the current first quarter.

3. 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 June 30, 2018	As of July 30, 2018 (filing date of this quarterly 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 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 legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From April 1, 2018 To June 30, 2018	—	4,220,715	—	605,813	—	804,470

(5) Principal shareholders

There is nothing to mention as this quarter is the first quarterly accounting period.

(6) Status of voting rights

The “Status of voting rights” as of the end of the current first quarter is presented as of March 31, 2018, the most recent record date, because the number of beneficiary shareholders as of June 30, 2018 could not be ascertained.

① Shares issued

(As of March 31, 2018)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,426,000	—	—
	(Crossholding stock) Common stock 238,800	—	—
Shares with full voting rights (Others)	Common stock 4,191,468,100	41,914,681	—
Stocks of less than a standard unit	Common stock 582,212	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,914,681	—

Note: “Stocks of less than a standard unit” include 38 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of March 31, 2018)

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

② Treasury stock, etc.

(As of March 31, 2018)

Shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
Treasury stock: Nissan Motor Co., Ltd.	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	Shares 28,426,000	Shares —	Shares 28,426,000	% 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	44,900	82,700	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
NDC Sales Co., Ltd.	2-39-1 Mimomi, Narashino-shi, Chiba	45,600	—	45,600	0.00
Total		28,619,800	45,000	28,664,800	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, Takashima 1-chome, Nishi-ku, Yokohama-shi, Kanagawa). (Fractional numbers under 100 have been omitted.)

2. Members of the Board of Directors and Statutory Auditors

Not applicable

4. Financial Information

1. Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared in accordance with the Ministry of Finance Ordinance No. 64, 2007 “Regulations Concerning the Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements” (“Regulations for Quarterly Consolidated Financial Statements”).

Pursuant to Article 5-2, Paragraph 2 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statements of cash flows are prepared.

2. Quarterly review report

The quarterly consolidated financial statements for the current first quarter (from April 1, 2018 to June 30, 2018) were reviewed by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2018)	Current First Quarter (As of June 30, 2018)
Assets		
Current assets		
Cash on hand and in banks	1,134,838	1,068,481
Trade notes and accounts receivable	739,851	554,876
Sales finance receivables	7,634,756	7,676,317
Securities	71,200	105,899
Merchandise and finished goods	880,518	1,019,852
Work in process	91,813	102,447
Raw materials and supplies	318,218	322,245
Other	775,771	732,440
Allowance for doubtful accounts	(116,572)	(120,702)
Total current assets	11,530,393	11,461,855
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	600,675	595,858
Machinery, equipment and vehicles, net	※1 3,392,134	※1 3,460,260
Land	598,780	598,096
Construction in progress	209,237	172,640
Other, net	464,808	448,209
Total property, plant and equipment	5,265,634	5,275,063
Intangible fixed assets	128,782	126,420
Investments and other assets		
Investment securities	1,264,532	1,230,611
Other	552,396	580,719
Allowance for doubtful accounts	(1,802)	(1,774)
Total investments and other assets	1,815,126	1,809,556
Total fixed assets	7,209,542	7,211,039
Total assets	18,739,935	18,672,894

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2018)	Current First Quarter (As of June 30, 2018)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,646,638	1,572,966
Short-term borrowings	802,952	701,707
Current portion of long-term borrowings	1,152,719	1,465,134
Commercial papers	402,918	600,105
Current portion of bonds	396,637	437,724
Lease obligations	25,766	20,851
Accrued expenses	1,114,053	1,108,081
Accrued warranty costs	115,568	118,688
Other	1,087,133	1,095,584
Total current liabilities	6,744,384	7,120,840
Long-term liabilities		
Bonds	1,887,404	1,848,017
Long-term borrowings	3,053,712	2,734,287
Lease obligations	16,248	13,581
Accrued warranty costs	120,210	121,882
Net defined benefit liability	352,861	354,223
Other	863,406	885,922
Total long-term liabilities	6,293,841	5,957,912
Total liabilities	13,038,225	13,078,752
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	815,913	814,610
Retained earnings	4,921,722	4,872,919
Treasury stock	(139,970)	(140,358)
Total shareholders' equity	6,203,479	6,152,985
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	68,179	44,918
Unrealized gain and loss from hedging instruments	9,537	12,534
Translation adjustments	(733,571)	(756,895)
Remeasurements of defined benefit plans	(135,967)	(136,119)
Other	(13,945)	(13,945)
Total accumulated other comprehensive income	(805,767)	(849,507)
Share subscription rights	84	—
Non-controlling interests	303,914	290,664
Total net assets	5,701,710	5,594,142
Total liabilities and net assets	18,739,935	18,672,894

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
The Three-Month Period Ended June 30
Quarterly consolidated statements of income

(Millions of yen)

	Prior First Quarter (From April 1, 2017 To June 30, 2017)	Current First Quarter (From April 1, 2018 To June 30, 2018)
Net sales	2,760,436	2,716,592
Cost of sales	2,267,080	2,273,580
Gross profit	493,356	443,012
Selling, general and administrative expenses		
Advertising expenses	68,307	71,624
Provision for warranty costs	26,583	32,205
Other selling expenses	46,901	42,443
Salaries and wages	99,395	96,190
Retirement benefit expenses	5,361	4,767
Provision for doubtful accounts	20,067	15,282
Other	73,425	71,357
Total selling, general and administrative expenses	340,039	333,868
Operating income	153,317	109,144
Non-operating income		
Interest income	4,457	7,297
Dividends income	6,583	8,026
Equity in earnings of affiliates	37,400	44,406
Derivative gain	—	23,733
Exchange gain	19,009	—
Miscellaneous income	1,848	6,926
Total non-operating income	69,297	90,388
Non-operating expenses		
Interest expense	3,635	3,149
Derivative loss	25,063	—
Exchange loss	—	31,673
Miscellaneous expenses	4,316	5,808
Total non-operating expenses	33,014	40,630
Ordinary income	189,600	158,902
Special gains		
Gain on sales of fixed assets	952	7,297
Other	182	137
Total special gains	1,134	7,434
Special losses		
Loss on sales of fixed assets	677	297
Loss on disposal of fixed assets	1,267	1,388
Expense for reorganization of sales business	—	3,724
Other	2,700	520
Total special losses	4,644	5,929
Income before income taxes	186,090	160,407
Income taxes	45,774	38,949
Net income	140,316	121,458
Net income attributable to non-controlling interests	5,400	5,629
Net income attributable to owners of parent	134,916	115,829

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Prior First Quarter (From April 1, 2017 To June 30, 2017)	Current First Quarter (From April 1, 2018 To June 30, 2018)
Net income	140,316	121,458
Other comprehensive income		
Unrealized holding gain and loss on securities	(1,571)	(22,163)
Unrealized gain and loss from hedging instruments	(1,359)	2,991
Translation adjustments	(1,015)	(3,206)
Remeasurements of defined benefit plans	(1,103)	(443)
The amount for equity method company portion	(10,351)	(24,347)
Total other comprehensive income	(15,399)	(47,168)
Comprehensive income	124,917	74,290
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	118,978	72,089
Comprehensive income attributable to non-controlling interests	5,939	2,201

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Prior First Quarter (From April 1, 2017 To June 30, 2017)	Current First Quarter (From April 1, 2018 To June 30, 2018)
Cash flows from operating activities		
Income before income taxes	186,090	160,407
Depreciation and amortization (for fixed assets excluding leased vehicles)	91,786	98,230
Depreciation and amortization (for long term prepaid expenses)	6,349	15,855
Depreciation and amortization (for leased vehicles)	118,380	124,576
Increase (decrease) in allowance for doubtful accounts	965	(1,965)
Interest and dividends income	(11,040)	(15,323)
Interest expense	36,227	48,659
Equity in losses (earnings) of affiliates	(37,400)	(44,406)
Loss (gain) on sales of fixed assets	(275)	(7,000)
Loss on disposal of fixed assets	1,267	1,388
Decrease (increase) in trade notes and accounts receivable	226,084	180,611
Decrease (increase) in sales finance receivables	(165,167)	91,680
Decrease (increase) in inventories	(150,301)	(157,158)
Increase (decrease) in trade notes and accounts payable	(84,098)	(133,954)
Retirement benefit expenses	6,288	6,692
Payments related to net defined benefit assets and liabilities	(5,522)	(5,691)
Other	28,495	942
Subtotal	248,128	363,543
Interest and dividends received	9,330	18,313
Proceeds from dividends income from affiliates accounted for by equity method	20,014	27,569
Interest paid	(31,746)	(45,047)
Income taxes paid	(135,353)	(42,099)
Net cash provided by operating activities	110,373	322,279
Cash flows from investing activities		
Net decrease (increase) in short-term investments	115	83
Purchase of fixed assets	(107,985)	(101,112)
Proceeds from sales of fixed assets	11,404	14,299
Purchase of leased vehicles	(346,993)	(308,450)
Proceeds from sales of leased vehicles	148,079	171,879
Payments of long-term loans receivable	(95)	(172)
Collection of long-term loans receivable	146	98
Purchase of investment securities	(10,980)	(11,237)
Net decrease (increase) in restricted cash	11,198	98,373
Other	797	(147)
Net cash used in investing activities	(294,314)	(136,386)

(Millions of yen)

	Prior First Quarter (From April 1, 2017 To June 30, 2017)	Current First Quarter (From April 1, 2018 To June 30, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	246,881	71,596
Proceeds from long-term borrowings	289,968	170,800
Proceeds from issuance of bonds	32,952	33,037
Repayments of long-term borrowings	(335,411)	(290,145)
Redemption of bonds	(60,000)	(77,604)
Purchase of treasury stock	(1)	(1)
Proceeds from sales of treasury stock	12	—
Repayments of lease obligations	(8,121)	(8,546)
Cash dividends paid	(93,883)	(103,627)
Cash dividends paid to non-controlling interests	(634)	(976)
Net cash provided by (used in) financing activities	71,763	(205,466)
Effects of exchange rate changes on cash and cash equivalents	(4,441)	(13,162)
Decrease in cash and cash equivalents	(116,619)	(32,735)
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 1,124,505	※1 1,174,380

[Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

Current First Quarter (From April 1, 2018 To June 30, 2018)
<p>(1) Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, “Revenue from Contracts with Customers” and IFRS 15, “Revenue from Contracts with Customers”</p> <p>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 current first quarter.</p> <p>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.</p> <p>In adopting the accounting standards, in accordance with the transitional treatment, the cumulative effect of adoption of the standards was recognized on the date of the start of adoption, and was added to or subtracted from retained earnings at the beginning of the current first quarter.</p> <p>As a result, the balance of retained earnings at the beginning of the current first quarter decreased by ¥58,566 million. In addition, net sales and income before income taxes for the current first quarter increased by ¥43,078 million and ¥60,140 million, respectively.</p>
<p>(2) International Financial Reporting Standards (IFRS) 9, “Financial Instruments”</p> <p>Some foreign subsidiaries and affiliates have adopted the IFRS 9, “Financial Instruments” (July 24, 2014) from the current first quarter.</p> <p>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.</p> <p>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 at the beginning of the current first quarter.</p> <p>As a result, the balance of retained earnings at the beginning of the current first quarter decreased by ¥2,288 million. The effect of these revisions on the quarterly consolidated statements of income is immaterial.</p>
<p>(3) Accounting Standards Board of Japan (ASBJ) Guidance No. 28, “Implementation Guidance on Tax Effect Accounting”</p> <p>“Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018) has been adopted from the beginning of the current first quarter. In line with this adoption, treatment of taxable temporary differences relating to shares, etc., of subsidiaries in non-consolidated financial statements was changed to match the treatment of taxable temporary differences relating to shares of subsidiaries or investments in affiliates in consolidated financial statements, and a reversal of deferred tax liabilities was made.</p> <p>The change in accounting policies in line with the adoption of these accounting standards has been retrospectively adopted and with respect to the prior fiscal year, retrospective adoption is reflected on the consolidated financial statements. As a result, compared with the accounting prior to retrospective adoption, on the consolidated balance sheets for the prior fiscal year, deferred tax liabilities decreased by ¥12,975 million, while retained earnings increased by ¥12,975 million.</p>

(Specific accounting policies adopted in preparing quarterly consolidated financial statements)

Current First Quarter (From April 1, 2018 To June 30, 2018)
<p>(Calculation of tax expense)</p> <p>Income taxes are determined based on the amount of income before income taxes for the current first quarter ended June 30, 2018, multiplied by the effective tax rate, after the adoption of tax-effect accounting, estimated for the whole fiscal year ending March 31, 2019.</p> <p>Deferred income taxes are included in income taxes.</p>

(Additional information)

Current First Quarter (From April 1, 2018 To June 30, 2018)
<p>“Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.” (ASBJ Statement No. 28, February 16, 2018) and other standards have been adopted from the beginning of the current first quarter, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under long-term liabilities.</p>

(For quarterly consolidated balance sheets)

1 ※1 “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 First Quarter (As of June 30, 2018)
Assets leased to others under lease agreements (lessor)	2,677,762	2,740,734

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	※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 First Quarter (As of June 30, 2018)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※32,259	Guarantees for employees' housing loans and others
16 foreign dealers	493	Guarantees for loans and others
Total	32,752	

※ 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

3 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. The settlement amount has been partially paid and the remaining discounted obligation has been recorded for \$49.6 million as of the current first quarter end. 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.

(For quarterly consolidated statements of cash flows)

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

	(Millions of yen)	
	Prior First Quarter (From April 1, 2017 To June 30, 2017)	Current First Quarter (From April 1, 2018 To June 30, 2018)
Cash on hand and in banks	1,028,908	1,068,481
Time deposits with maturities of more than three months	(3,088)	—
Cash equivalents included in securities (*)	98,685	105,899
Cash and cash equivalents	1,124,505	1,174,380

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

(For net assets)

Prior First Quarter (From April 1, 2017 To June 30, 2017)

1. Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Annual general meeting of the shareholders on June 27, 2017	Common stock	93,883	24	March 31, 2017	June 28, 2017	Retained earnings

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 fell in the period from April 1 to June 30, 2017, and the effective date of which will be after June 30, 2017

There were no applicable items during the first quarter ended June 30, 2017.

Current First Quarter (From April 1, 2018 To June 30, 2018)

1. Dividends paid

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

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 fell in the period from April 1 to June 30, 2018, and the effective date of which will be after June 30, 2018

There were no applicable items during the first quarter ended June 30, 2018.

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

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

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

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

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

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

3. Changes to reportable segments and others

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

As stated in the 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 current first quarter.

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

In adopting the accounting standards, in accordance with the transitional treatment, the cumulative effect of adoption of the standards was recognized on the date of the start of adoption, and was added to or subtracted from retained earnings for business segments at the beginning of the current first quarter.

As a result, the retained earnings in the summarized quarterly consolidated balance sheets by business segments at the beginning of the current first quarter decreased by ¥58,566 million in Automobile & Eliminations. In addition, net sales and income before income taxes for the current first quarter increased by ¥43,078 million and ¥60,140 million, respectively in Automobile & Eliminations.

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

As stated in the changes in accounting policies, some foreign subsidiaries and affiliates have adopted the IFRS 9, "Financial Instruments" (July 24, 2014) from the current first quarter. 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 for business segments at the beginning of the current first quarter.

As a result, the retained earnings in the summarized quarterly consolidated balance sheets by business segments at the beginning of the current first quarter decreased by ¥5,671 million in Sales financing and increased by ¥3,383 million in Automobile & Eliminations. The effect of these revisions on the quarterly consolidated statements of income 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 current first quarter. In line with this adoption, treatment of taxable temporary differences relating to shares, etc., of subsidiaries in non-consolidated financial statements was changed to match the treatment of taxable temporary differences relating to shares of subsidiaries or investments in affiliates in consolidated financial statements, and a reversal of deferred tax liabilities was made.

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

4. Net sales and profits or losses by reportable segments
 Prior First Quarter (From April 1, 2017 To June 30, 2017)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior First Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,497,960	262,476	2,760,436	—	2,760,436
Inter-segment sales or transfers	33,550	10,955	44,505	(44,505)	—
Total	2,531,510	273,431	2,804,941	(44,505)	2,760,436
Segment profits	90,400	54,846	145,246	8,071	153,317

Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V., SOFOM, E.R. (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).
- The financial data on the Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior First Quarter (As of June 30, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	981,181	47,727	1,028,908
Trade notes and accounts receivable	588,928	2,515	591,443
Sales finance receivables	(108,004)	7,621,112	7,513,108
Inventories	1,404,208	49,152	1,453,360
Other current assets	364,610	356,503	721,113
Total current assets	3,230,923	8,077,009	11,307,932
II. Fixed assets			
Property, plant and equipment	2,616,897	2,696,874	5,313,771
Investment securities	1,152,137	23,362	1,175,499
Other fixed assets	597,431	96,576	694,007
Total fixed assets	4,366,465	2,816,812	7,183,277
Total assets	7,597,388	10,893,821	18,491,209
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,502,516	51,111	1,553,627
Short-term borrowings	(897,082)	4,143,351	3,246,269
Lease obligations	31,293	—	31,293
Other current liabilities	1,785,858	444,606	2,230,464
Total current liabilities	2,422,585	4,639,068	7,061,653
II. Long-term liabilities			
Bonds	275,000	1,172,634	1,447,634
Long-term borrowings	(10,692)	3,200,641	3,189,949
Lease obligations	17,899	7	17,906
Other long-term liabilities	750,110	828,055	1,578,165
Total long-term liabilities	1,032,317	5,201,337	6,233,654
Total liabilities	3,454,902	9,840,405	13,295,307
Net assets			
I. Shareholders' equity			
Common stock	432,905	172,909	605,814
Capital surplus	784,134	33,380	817,514
Retained earnings	3,559,863	843,281	4,403,144
Treasury stock	(140,670)	—	(140,670)
Total shareholders' equity	4,636,232	1,049,570	5,685,802
II. Accumulated other comprehensive income			
Translation adjustments	(666,849)	(33,066)	(699,915)
Others	(89,665)	3,772	(85,893)
Total accumulated other comprehensive income	(756,514)	(29,294)	(785,808)
III. Share subscription rights	317	—	317
IV. Non-controlling interests	262,451	33,140	295,591
Total net assets	4,142,486	1,053,416	5,195,902
Total liabilities and net assets	7,597,388	10,893,821	18,491,209

- 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 ¥1,529,080 million.
3. "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) and other standards have been retrospectively adopted, whereby deferred tax assets are presented under fixed assets, while deferred tax liabilities are presented under long-term liabilities.

(2) Summarized quarterly consolidated statements of income by business segments

(Millions of yen)

Accounts	Prior First Quarter (From April 1, 2017 To June 30, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	2,487,005	273,431	2,760,436
Cost of sales	2,084,064	183,016	2,267,080
Gross profit	402,941	90,415	493,356
Operating income as a percentage of net sales	4.0%	20.1%	5.6%
Operating income	98,471	54,846	153,317
Financial income / expenses, net	7,381	24	7,405
Other non-operating income and expenses, net	28,091	787	28,878
Ordinary income	133,943	55,657	189,600
Income before income taxes	130,235	55,855	186,090
Net income attributable to owners of parent	105,531	29,385	134,916

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

(Millions of yen)

Accounts	Prior First Quarter (From April 1, 2017 To June 30, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	130,235	55,855	186,090
Depreciation and amortization	89,846	126,669	216,515
Decrease (increase) in sales finance receivables	100,130	(265,297)	(165,167)
Others	(101,415)	(25,650)	(127,065)
Net cash provided by (used in) operating activities	218,796	(108,423)	110,373
II. Cash flows from investing activities			
Purchase of investment securities	(10,980)	—	(10,980)
Purchase of fixed assets	(100,336)	(7,649)	(107,985)
Proceeds from sales of fixed assets	4,339	7,065	11,404
Purchase of leased vehicles	—	(346,993)	(346,993)
Proceeds from sales of leased vehicles	—	148,079	148,079
Others	776	11,385	12,161
Net cash used in investing activities	(106,201)	(188,113)	(294,314)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(104,308)	351,189	246,881
Net change in long-term borrowings and redemption of bonds	(20,643)	(84,800)	(105,443)
Proceeds from issuance of bonds	—	32,952	32,952
Others	(102,627)	—	(102,627)
Net cash provided by (used in) financing activities	(227,578)	299,341	71,763
IV. Effects of exchange rate changes on cash and cash equivalents	(3,986)	(455)	(4,441)
V. Increase (decrease) in cash and cash equivalents	(118,969)	2,350	(116,619)
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	1,071,006	53,499	1,124,505

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥258,435 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 ¥47,788 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 First Quarter (From April 1, 2017 To June 30, 2017)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	494,663	1,499,185	335,013	224,374	207,201	2,760,436	—	2,760,436
(2) Inter-segment sales	604,499	103,318	86,252	129,590	2,565	926,224	(926,224)	—
Total	1,099,162	1,602,503	421,265	353,964	209,766	3,686,660	(926,224)	2,760,436
Operating income (loss)	95,194	50,811	(2,726)	17,493	(1,109)	159,663	(6,346)	153,317

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

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

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

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

Current First Quarter (From April 1, 2018 To June 30, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current First Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,434,801	281,791	2,716,592	—	2,716,592
Inter-segment sales or transfers	28,851	11,906	40,757	(40,757)	—
Total	2,463,652	293,697	2,757,349	(40,757)	2,716,592
Segment profits	37,993	63,138	101,131	8,013	109,144

Note 1: Quarterly consolidated financial statements by business segments

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

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current First Quarter (As of June 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	996,764	71,717	1,068,481
Trade notes and accounts receivable	552,862	2,014	554,876
Sales finance receivables	(103,227)	7,779,544	7,676,317
Inventories	1,398,547	45,997	1,444,544
Other current assets	519,494	198,143	717,637
Total current assets	3,364,440	8,097,415	11,461,855
II. Fixed assets			
Property, plant and equipment	2,551,071	2,723,992	5,275,063
Investment securities	1,228,504	2,107	1,230,611
Other fixed assets	582,904	122,461	705,365
Total fixed assets	4,362,479	2,848,560	7,211,039
Total assets	7,726,919	10,945,975	18,672,894
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,539,665	33,301	1,572,966
Short-term borrowings	(513,303)	3,717,973	3,204,670
Lease obligations	20,851	—	20,851
Other current liabilities	1,859,718	462,635	2,322,353
Total current liabilities	2,906,931	4,213,909	7,120,840
II. Long-term liabilities			
Bonds	175,000	1,673,017	1,848,017
Long-term borrowings	(150,515)	2,884,802	2,734,287
Lease obligations	13,574	7	13,581
Other long-term liabilities	740,188	621,839	1,362,027
Total long-term liabilities	778,247	5,179,665	5,957,912
Total liabilities	3,685,178	9,393,574	13,078,752
Net assets			
I. Shareholders' equity			
Common stock	431,303	174,511	605,814
Capital surplus	641,841	172,769	814,610
Retained earnings	3,669,547	1,203,372	4,872,919
Treasury stock	(140,358)	—	(140,358)
Total shareholders' equity	4,602,333	1,550,652	6,152,985
II. Accumulated other comprehensive income			
Translation adjustments	(706,639)	(50,256)	(756,895)
Others	(102,056)	9,444	(92,612)
Total accumulated other comprehensive income	(808,695)	(40,812)	(849,507)
III. Share subscription rights	—	—	—
IV. Non-controlling interests	248,103	42,561	290,664
Total net assets	4,041,741	1,552,401	5,594,142
Total liabilities and net assets	7,726,919	10,945,975	18,672,894

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 ¥1,153,400 million.

(2) Summarized quarterly consolidated statements of income by business segments

(Millions of yen)

Accounts	Current First Quarter (From April 1, 2018 To June 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	2,422,895	293,697	2,716,592
Cost of sales	2,074,982	198,598	2,273,580
Gross profit	347,913	95,099	443,012
Operating income as a percentage of net sales	1.9%	21.5%	4.0%
Operating income	46,006	63,138	109,144
Financial income / expenses, net	12,181	(7)	12,174
Other non-operating income and expenses, net	37,968	(384)	37,584
Ordinary income	96,155	62,747	158,902
Income before income taxes	97,672	62,735	160,407
Net income attributable to owners of parent	78,165	37,664	115,829

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

(Millions of yen)

Accounts	Current First Quarter (From April 1, 2018 To June 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	97,672	62,735	160,407
Depreciation and amortization	107,620	131,041	238,661
Decrease (increase) in sales finance receivables	89,377	2,303	91,680
Others	(141,396)	(27,073)	(168,469)
Net cash provided by operating activities	153,273	169,006	322,279
II. Cash flows from investing activities			
Purchase of investment securities	(11,237)	—	(11,237)
Purchase of fixed assets	(98,070)	(3,042)	(101,112)
Proceeds from sales of fixed assets	7,657	6,642	14,299
Purchase of leased vehicles	—	(308,450)	(308,450)
Proceeds from sales of leased vehicles	—	171,879	171,879
Others	(83,141)	181,376	98,235
Net cash provided by (used in) investing activities	(184,791)	48,405	(136,386)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	173,476	(101,880)	71,596
Net change in long-term borrowings and redemption of bonds	11,030	(207,979)	(196,949)
Proceeds from issuance of bonds	—	33,037	33,037
Others	(183,569)	70,419	(113,150)
Net cash provided by (used in) financing activities	937	(206,403)	(205,466)
IV. Effects of exchange rate changes on cash and cash equivalents	(12,886)	(276)	(13,162)
V. Increase (decrease) in cash and cash equivalents	(43,467)	10,732	(32,735)
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	1,098,269	76,111	1,174,380

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥25,395 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 ¥25,547 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 First Quarter (From April 1, 2018 To June 30, 2018)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	522,807	1,307,956	373,203	244,678	267,948	2,716,592	—	2,716,592
(2) Inter-segment sales	584,079	128,100	74,782	130,059	4,429	921,449	(921,449)	—
Total	1,106,886	1,436,056	447,985	374,737	272,377	3,638,041	(921,449)	2,716,592
Operating income (loss)	57,636	49,472	(4,713)	17,826	(141)	120,080	(10,936)	109,144

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

5. Information about the impairment loss on fixed assets by reportable segments

Prior First Quarter (From April 1, 2017 To June 30, 2017)

There were no significant impairment losses on fixed assets in the reportable segments for the three months ended June 30, 2017.

Current First Quarter (From April 1, 2018 To June 30, 2018)

There were no significant impairment losses on fixed assets in the reportable segments for the three months ended June 30, 2018.

6. Information about goodwill by reportable segments

Prior First Quarter (From April 1, 2017 To June 30, 2017)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the three months ended June 30, 2017.

Current First Quarter (From April 1, 2018 To June 30, 2018)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the three months ended June 30, 2018.

7. Information about the gain recognized on negative goodwill by reportable segments

Prior First Quarter (From April 1, 2017 To June 30, 2017)

There were no significant gains recognized on negative goodwill in the reportable segments for the three months ended June 30, 2017.

Current First Quarter (From April 1, 2018 To June 30, 2018)

There were no significant gains recognized on negative goodwill in the reportable segments for the three months ended June 30, 2018.

8. Information about geographical area

Net sales

Prior First Quarter (From April 1, 2017 To June 30, 2017)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
414,415	1,466,077	1,187,583	350,282	286,902	242,760	2,760,436

Notes: 1. Regions represent customers' location.

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

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

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

Current First Quarter (From April 1, 2018 To June 30, 2018)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
429,459	1,277,505	1,043,971	388,756	320,852	300,020	2,716,592

Notes: 1. Regions represent customers' location.

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

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

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

(Amounts per share)

Basic earnings per share, diluted earnings per share and the basis for calculation thereof are as follows.

	Prior First Quarter (From April 1, 2017 To June 30, 2017)	Current First Quarter (From April 1, 2018 To June 30, 2018)
(1) Basic earnings per share	¥34.49	¥29.62
(Basis for calculation)		
Net income attributable to owners of parent (Millions of yen)	134,916	115,829
Net income attributable to owners of parent relating to common stock (Millions of yen)	134,916	115,829
Average number of shares of common stock during the period (Thousands of shares)	3,911,574	3,910,588
(2) Diluted earnings per share	¥34.49	¥29.62
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	160	16
Any significant changes from the prior fiscal year- end in potential securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

(Significant subsequent events)

Not applicable

2. Other

Not applicable

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)

Independent Auditor's Quarterly Review Report

July 27, 2018

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 reviewed the accompanying quarterly consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") and its consolidated subsidiaries, which comprise the quarterly consolidated balance sheet as of June 30, 2018, the quarterly consolidated statement of income, quarterly consolidated statement of comprehensive income, quarterly consolidated statement of cash flows for the three-month period then ended, and the related notes included in "Financial Information".

Management's Responsibility for the Quarterly Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in conformity with the accounting principles for quarterly consolidated financial statements 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 quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion independently on these quarterly consolidated financial statements based on our review. We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan.

A review of quarterly consolidated financial statements consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Nissan Motor Co., Ltd. and its consolidated subsidiaries at June 30, 2018, and the consolidated results of their operations and their cash flows for the three-month period then ended in conformity with the accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Other Matter

We have no interest in the Company which should be disclosed in compliance with the Japanese Certified Public Accountants Law.

Notes:

1. The above is a digitization of the text contained in the original copy of the Quarterly Review Report of Independent Auditors, which is in the custody of the Company—the submitter of this quarterly securities report.
2. The XBRL data is not included in the scope of Quarterly Review.

【Cover】

【Document Submitted】 Confirmation Note

【Article of the Applicable Law Requiring Submission of This Document】 Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Law

【Filed to】 Director, Kanto Local Finance Bureau

【Date of Submission】 July 30, 2018

【Company Name】 Nissan Jidosha Kabushiki-Kaisha

【Company Name (in English)】 Nissan Motor Co., Ltd.

【Position and Name of Representative】 Hiroto Saikawa, President

【Position and Name of Chief Financial Officer】 Hiroshi Karube, 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 Quarterly Securities Report

Hiroto Saikawa, President of Nissan Motor Co., Ltd., and Hiroshi Karube, Chief Financial Officer have confirmed that this Quarterly Securities Report “Shihanki-Houkokusho” for the first quarter (from April 1, 2018 to June 30, 2018) 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 quarterly securities report.