

# **Quarterly Securities Report**

Second Quarter of FY2018

(From July 1, 2018 To September 30, 2018)

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

**Nissan Motor Co., Ltd.**

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<b>【Document Submitted】</b>	Quarterly Securities Report (“Shihanki-Houkokusho”)
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	November 12, 2018
<b>【Accounting Period】</b>	Second Quarter of the 120th Fiscal Year (From July 1, 2018 To September 30, 2018)
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Hiroto Saikawa, President
<b>【Location of Head Office】</b>	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
<b>【Phone No.】</b>	(045) 523-5523 (switchboard)
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<b>【Contact for Communications】</b>	Chie Saito, Manager, Consolidation Accounting Group, Budget and Accounting Department
<b>【Place Where Available for Public Inspection】</b>	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

# Part I Information on the Company

## 1. Overview of the Company

### 1. Key financial data and trends

Fiscal year		119th Six months ended September 30, 2017	120th Six months ended September 30, 2018	119th
Accounting period		(From April 1, 2017 To September 30, 2017)	(From April 1, 2018 To September 30, 2018)	(From April 1, 2017 To March 31, 2018)
Net sales	Millions of yen	5,652,509	5,532,722	11,951,169
(Current Second Quarter)		(2,892,073)	(2,816,130)	
Ordinary income	Millions of yen	369,533	329,932	750,302
Net income attributable to owners of parent	Millions of yen	276,509	246,258	746,892
(Current Second Quarter)		(141,593)	(130,428)	
Comprehensive income	Millions of yen	329,443	249,724	740,338
Net assets	Millions of yen	5,386,000	5,776,714	5,701,710
Total assets	Millions of yen	19,186,113	19,130,603	18,739,935
Basic earnings per share	Yen	70.69	62.97	190.96
(Current Second Quarter)		(36.20)	(33.35)	
Diluted earnings per share	Yen	70.69	62.97	190.96
Net assets as a percentage of total assets	%	26.6	28.6	28.8
Cash flows from operating activities	Millions of yen	333,835	524,905	1,071,250
Cash flows from investing activities	Millions of yen	(620,138)	(406,559)	(1,147,719)
Cash flows from financing activities	Millions of yen	240,919	(111,644)	36,810
Cash and cash equivalents at end of the period	Millions of yen	1,203,183	1,206,153	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 first quarter of the fiscal year ending March 31, 2019. Key financial data, etc. concerning the six months ended September 30, 2017 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 six months ended September 30, 2018. No changes were made to major subsidiaries and affiliates.

## 2. Business Overview

### 1. Business and other risks

During the six months ended September 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 September 30, 2018, the end of the current second quarter.

#### (1) Financial position and operating results

For the six months ended September 30, 2018, the Group’s net sales amounted to ¥5,532.7 billion, a decrease of ¥119.8 billion (2.1%) from the corresponding period of the last year (the “last year”). Operating income decreased by ¥71.5 billion (25.4%) to ¥210.3 billion on a consolidated basis.

Net non-operating income of ¥119.6 billion was recorded for the six months ended September 30, 2018, increased by ¥31.9 billion from the last year. This result was primarily attributable to an increase in equity in earnings of affiliates. As a result, ordinary income decreased by ¥39.6 billion (10.7%) from the last year to ¥329.9 billion. Net special losses of ¥6.0 billion were recorded, deteriorating by ¥1.5 billion from the last year. Income before income taxes decreased by ¥41.1 billion (11.2%) to ¥323.9 billion compared with the last year. Finally, net income attributable to owners of parent of ¥246.3 billion was recorded for the six months ended September 30, 2018, a decrease of ¥30.2 billion (10.9%) from the last year.

#### (2) Cash flows

Cash and cash equivalents at September 30, 2018 increased by ¥0.2 billion (0.0%) from the end of the prior fiscal year to ¥1,206.2 billion. This reflected ¥524.9 billion in net cash provided by operating activities, ¥406.6 billion in net cash used in investing activities and ¥111.6 billion in net cash used in financing activities, as well as a decrease of ¥7.6 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 (%)
	Six months ended September 30, 2017	Six months ended September 30, 2018		
Japan	521,573	446,372	(75,201)	(14.4)
The United States of America	460,423	393,264	(67,159)	(14.6)
Mexico	414,602	363,645	(50,957)	(12.3)
The United Kingdom	233,117	212,927	(20,190)	(8.7)
Spain	47,401	47,326	(75)	(0.2)
Russia	22,114	25,931	3,817	17.3
Thailand	63,781	80,647	16,866	26.4
Indonesia	9,107	5,521	(3,586)	(39.4)
Philippines	2,895	2,223	(672)	(23.2)
India	122,115	90,665	(31,450)	(25.8)
South Africa	17,048	19,382	2,334	13.7
Brazil	40,986	58,314	17,328	42.3
Argentina	—	824	824	—
Egypt	6,988	9,020	2,032	29.1
Total	1,962,150	1,756,061	(206,089)	(10.5)

Note: The figures represent the production figures for the 6-month period from April 1 to September 30, 2018.

## Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Six months ended September 30, 2017	Six months ended September 30, 2018		
Japan	272,044	269,577	(2,467)	(0.9)
North America	1,020,961	859,213	(161,748)	(15.8)
(The United States of America included therein)	747,652	644,218	(103,434)	(13.8)
Europe	370,637	302,548	(68,089)	(18.4)
Asia	196,306	164,199	(32,107)	(16.4)
Other overseas countries	234,059	288,120	54,061	23.1
Total	2,094,007	1,883,657	(210,350)	(10.0)

Note: The figures in China and Taiwan, which are included in “Asia” represent the sales figures for the 6-month period from January 1 to June 30, 2018. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 6-month period from April 1 to September 30, 2018.

## (4) Results of segments

## (Business segments)

## a. Automobiles

The Group’s worldwide automobile sales (on a retail basis) for the six months ended September 30, 2018 decreased by 1.8% from the last year to 2,683 thousand units.

Net sales in automobile segment (including inter-segment sales) for the six months ended September 30, 2018 decreased by ¥150.9 billion (2.9%) from the last year to ¥5,033.5 billion. Operating income decreased by ¥88.6 billion (57.5%) to ¥65.7 billion from the last year. Major profit-decreasing factors were decreases in the number of vehicles sold, increase of raw materials cost and foreign exchange rate changes despite a favorable effect of reduction in purchasing costs.

## b. Sales Finance

Net sales in the sales finance segment (including inter-segment sales) for the six months ended September 30, 2018 increased by ¥32.0 billion (5.7%) from the last year to ¥594.5 billion. Operating income for the six months ended September 30, 2018 increased by ¥18.2 billion (16.3%) from the last year to ¥129.4 billion.

## (Geographic segments)

## a. Japan

The overall demand for vehicles remained consistent in the domestic market and the number of vehicles sold in Japan increased by 0.5% from the last year, resulting in 285 thousand units, accounting for a market share of 11.5%, as same points as the last year.

Net sales (including inter-segment sales) for the six months ended September 30, 2018 decreased by ¥66.5 billion (2.9%) from the last year to ¥2,263.4 billion.

Operating income decreased by ¥68.4 billion (37.5%) from the last year to ¥114.0 billion.

Major profit-decreasing factors were decrease in the number of vehicles sold, increase of raw materials cost, and increase of R&D and manufacturing costs despite a favorable effect of reduction in purchasing costs.

## b. North America

The overall demand for vehicles in the United States of America decreased by 0.6% from the last year, and the number of vehicles sold in the United States of America also decreased by 9.1% from the last year to 709 thousand units, accounting for a market share of 8.1%. The number of vehicles sold in North America, including Mexico and Canada, decreased by 9.0% from the last year to 942 thousand units.

Net sales (including inter-segment sales) for the six months ended September 30, 2018 decreased by ¥208.9 billion (6.7%) from the last year to ¥2,896.9 billion.

Operating income increased by ¥2.6 billion (3.2%) from the last year to ¥85.4 billion.

Major profit-increasing factors were reduction of selling expenses and purchasing costs despite increase of raw materials cost and decrease in the number of vehicles sold.

c. Europe

The overall demand for vehicles in Europe increased by 4.3% from the last year, while the number of vehicles sold in Europe excluding Russia decreased by 14.3% from the last year to 280 thousand units, accounting for a market share of 3.2%. The number of vehicles sold in Russia increased by 2.4% to 50 thousand units.

Net sales (including inter-segment sales) for the six months ended September 30, 2018 decreased by ¥41.1 billion (4.4%) to ¥893.4 billion.

Operating loss of ¥17.0 billion was recorded, deteriorating by ¥11.8 billion from the last year. Major deteriorating factors were decreases in the number of vehicles sold and foreign exchange rate changes despite a favorable effect of reduction in purchasing costs.

d. Asia

Sales volume in Asia and Oceania market, excluding China, decreased by 4.3% to 158 thousand units. Net sales in Asia and Oceania (including intersegment sales) for the six months ended September 30, 2018 increased by ¥27.4 billion (3.7%) from the last year to ¥768.1 billion.

Operating income for the six months ended September 30, 2018 was ¥29.6 billion, an increase of ¥1.3 billion (4.3%) from the last year.

The overall demand for vehicles in China increased by 5.1% from the last year, and the number of vehicles sold in China increased by 10.7% from the last year to 720 thousand units, accounting for a market share of 5.4%. 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 10.6% from the last year to 249 thousand units.

Net sales (including inter-segment sales) for the six months ended September 30, 2018 increased by ¥102.2 billion (23.4%) from the last year to ¥539.8 billion.

Operating income of ¥0.1 billion was recorded, improving by ¥7.9 billion from the last year.

(5) Analysis of sources of capital and liquidity

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥191.1 billion to ¥524.9 billion in the six months ended September 30, 2018 from ¥333.8 billion provided in the last 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 ¥213.5 billion to ¥406.6 billion in the six months ended September 30, 2018 from ¥620.1 billion used in the last year. This was mainly attributable to a shift from a net increase to 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 ¥111.6 billion in the six months ended September 30, 2018, an increase in cash outflows of ¥352.5 billion compared with ¥240.9 billion provided in the last year. This was mainly attributable to a decrease in proceeds from long-term borrowings and a decrease in proceeds from issuance of bonds.

Cash and cash equivalents at September 30, 2018 increased by ¥0.2 billion (0.0%) from the end of the prior fiscal year to ¥1,206.2 billion, which included a decrease of ¥7.6 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 six months ended September 30, 2018 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. 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. 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 ¥254.5 billion for the six months ended September 30, 2018.

**3. Important business contracts**

No important business contracts were determined or entered into during the current second 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 September 30, 2018	As of November 12, 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 July 1, 2018 To September 30, 2018	—	4,220,715	—	605,813	—	804,470

## (5) Principal shareholders

(As of September 30, 2018)

Name	Address	Number of shares held (Thousands)	Number of shares held (excluding treasury stock) 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)	144,232	3.4
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	132,178	3.2
Japan Trustee Services Bank, Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	111,423	2.7
Japan Trustee Services Bank, Ltd. (Trust account 9)	1-8-11 Harumi, Chuo-ku, Tokyo	56,771	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
Japan Trustee Services Bank, Ltd. (Trust account 5)	1-8-11 Harumi, Chuo-ku, Tokyo	45,974	1.1
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)	41,895	1.0
Japan Trustee Services Bank, Ltd. (Trust account 1)	1-8-11 Harumi, Chuo-ku, Tokyo	33,421	0.8
Japan Trustee Services Bank, Ltd. (Trust account 2)	1-8-11 Harumi, Chuo-ku, Tokyo	32,863	0.8
Total	—	2,484,623	59.3

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.

(6) Status of voting rights

① Shares issued

(As of September 30, 2018)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,428,800	—	—
	(Crossholding stock) Common stock 240,000	—	—
Shares with full voting rights (Others)	Common stock 4,191,455,200	41,914,552	—
Stocks of less than a standard unit	Common stock 591,112	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,914,552	—

Note: “Stocks of less than a standard unit” include 29 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of September 30, 2018)

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

② Treasury stock, etc.

(As of September 30, 2018)

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	28,428,800	—	28,428,800	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	46,100	83,900	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		28,622,600	46,200	28,668,800	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 64, Paragraph 3 and Article 83-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statements of income and the quarterly consolidated statements of comprehensive income are prepared.

##### **2. Quarterly review report**

The quarterly consolidated financial statements for the current second quarter (from July 1, 2018 to September 30, 2018) and for the six months ended September 30, 2018 (from April 1, 2018 to September 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 Second Quarter (As of September 30, 2018)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	1,134,838	1,086,910
Trade notes and accounts receivable	739,851	494,495
Sales finance receivables	7,634,756	7,907,544
Securities	71,200	119,243
Merchandise and finished goods	880,518	1,055,483
Work in process	91,813	90,072
Raw materials and supplies	318,218	388,662
Other	775,771	720,988
Allowance for doubtful accounts	(116,572)	(118,753)
Total current assets	11,530,393	11,744,644
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	600,675	599,992
Machinery, equipment and vehicles, net ※1	3,392,134	※1 3,582,289
Land	598,780	599,937
Construction in progress	209,237	142,574
Other, net	464,808	472,152
Total property, plant and equipment	5,265,634	5,396,944
Intangible fixed assets	128,782	125,978
Investments and other assets		
Investment securities	1,264,532	1,297,711
Other	552,396	566,995
Allowance for doubtful accounts	(1,802)	(1,669)
Total investments and other assets	1,815,126	1,863,037
Total fixed assets	7,209,542	7,385,959
Total assets	18,739,935	19,130,603

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2018)	Current Second Quarter (As of September 30, 2018)
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	1,646,638	1,591,436
Short-term borrowings	802,952	794,281
Current portion of long-term borrowings	1,152,719	1,467,729
Commercial papers	402,918	728,210
Current portion of bonds	396,637	547,828
Lease obligations	25,766	18,766
Accrued expenses	1,114,053	1,064,715
Accrued warranty costs	115,568	120,937
Other	1,087,133	1,091,893
Total current liabilities	6,744,384	7,425,795
Long-term liabilities		
Bonds	1,887,404	1,971,862
Long-term borrowings	3,053,712	2,549,122
Lease obligations	16,248	12,569
Accrued warranty costs	120,210	121,721
Net defined benefit liability	352,861	355,957
Other	863,406	916,863
Total long-term liabilities	6,293,841	5,928,094
Total liabilities	13,038,225	13,353,889
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	815,913	815,414
Retained earnings	4,921,722	4,999,651
Treasury stock	(139,970)	(139,991)
Total shareholders' equity	6,203,479	6,280,888
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	68,179	41,922
Unrealized gain and loss from hedging instruments	9,537	11,938
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(32,453)
Translation adjustments	(733,571)	(687,284)
Remeasurements of defined benefit plans	(135,967)	(137,482)
Total accumulated other comprehensive income	(805,767)	(803,359)
Share subscription rights	84	—
Non-controlling interests	303,914	299,185
Total net assets	5,701,710	5,776,714
Total liabilities and net assets	18,739,935	19,130,603

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

	(Millions of yen)	
	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)
Net sales	5,652,509	5,532,722
Cost of sales	4,625,572	4,620,691
Gross profit	1,026,937	912,031
Selling, general and administrative expenses		
Advertising expenses	141,006	147,114
Provision for warranty costs	53,218	59,479
Other selling expenses	107,077	92,611
Salaries and wages	196,943	200,412
Retirement benefit expenses	9,402	9,200
Provision for doubtful accounts	42,818	26,755
Other	194,641	166,125
Total selling, general and administrative expenses	745,105	701,696
Operating income	281,832	210,335
Non-operating income		
Interest income	9,346	14,882
Dividends income	6,601	8,049
Equity in earnings of affiliates	93,957	113,219
Exchange gain	23,978	—
Miscellaneous income	3,862	10,845
Total non-operating income	137,744	146,995
Non-operating expenses		
Interest expense	6,001	5,747
Derivative loss	34,384	3,639
Exchange loss	—	5,733
Credit liquidation costs	6,249	6,757
Miscellaneous expenses	3,409	5,522
Total non-operating expenses	50,043	27,398
Ordinary income	369,533	329,932
Special gains		
Gain on sales of fixed assets	2,917	10,223
Other	678	202
Total special gains	3,595	10,425
Special losses		
Loss on sales of fixed assets	1,779	424
Loss on disposal of fixed assets	3,118	4,414
Special addition to retirement benefits	1,169	4,721
Expense for reorganization of sales business	—	4,899
Other	2,112	2,000
Total special losses	8,178	16,458
Income before income taxes	364,950	323,899
Income taxes	78,932	66,669
Net income	286,018	257,230
Net income attributable to non-controlling interests	9,509	10,972
Net income attributable to owners of parent	276,509	246,258

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)
Net income	286,018	257,230
Other comprehensive income		
Unrealized holding gain and loss on securities	7,527	(20,550)
Unrealized gain and loss from hedging instruments	(1,931)	2,109
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	—	(18,508)
Translation adjustments	30,272	73,135
Remeasurements of defined benefit plans	(2,371)	(2,146)
The amount for equity method company portion	9,928	(41,546)
Total other comprehensive income	43,425	(7,506)
Comprehensive income	329,443	249,724
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	317,983	241,316
Comprehensive income attributable to non-controlling interests	11,460	8,408



The Three-Month Period Ended September 30  
Quarterly consolidated statements of income

(Millions of yen)

	Prior Second Quarter (From July 1, 2017 To September 30, 2017)	Current Second Quarter (From July 1, 2018 To September 30, 2018)
Net sales	2,892,073	2,816,130
Cost of sales	2,358,492	2,347,111
Gross profit	533,581	469,019
Selling, general and administrative expenses		
Advertising expenses	72,699	75,491
Provision for warranty costs	26,635	27,274
Other selling expenses	60,176	50,168
Salaries and wages	97,548	104,222
Retirement benefit expenses	4,041	4,433
Provision for doubtful accounts	22,752	11,472
Other	121,214	94,768
Total selling, general and administrative expenses	405,065	367,828
Operating income	128,516	101,191
Non-operating income		
Interest income	4,890	7,585
Dividends income	19	23
Equity in earnings of affiliates	56,558	68,813
Exchange gain	4,970	25,940
Miscellaneous income	2,009	3,919
Total non-operating income	68,446	106,280
Non-operating expenses		
Interest expense	2,365	2,598
Derivative loss	9,322	27,372
Credit liquidation costs	3,523	3,148
Miscellaneous expenses	1,818	3,323
Total non-operating expenses	17,028	36,441
Ordinary income	179,934	171,030
Special gains		
Gain on sales of fixed assets	1,965	2,926
Other	495	64
Total special gains	2,460	2,990
Special losses		
Loss on sales of fixed assets	1,102	127
Loss on disposal of fixed assets	1,851	3,027
Special addition to retirement benefits	—	4,631
Expense for reorganization of sales business	—	1,175
Other	581	1,568
Total special losses	3,534	10,528
Income before income taxes	178,860	163,492
Income taxes	33,158	27,720
Net income	145,702	135,772
Net income attributable to non-controlling interests	4,109	5,344
Net income attributable to owners of parent	141,593	130,428

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Prior Second Quarter (From July 1, 2017 To September 30, 2017)	Current Second Quarter (From July 1, 2018 To September 30, 2018)
Net income	145,702	135,772
Other comprehensive income		
Unrealized holding gain and loss on securities	9,098	1,613
Unrealized gain and loss from hedging instruments	(572)	(882)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	—	(18,508)
Translation adjustments	31,287	76,341
Remeasurements of defined benefit plans	(1,268)	(1,703)
The amount for equity method company portion	20,279	(17,199)
Total other comprehensive income	58,824	39,662
Comprehensive income	204,526	175,434
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	199,005	169,227
Comprehensive income attributable to non-controlling interests	5,521	6,207

## (3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)
<b>Cash flows from operating activities</b>		
Income before income taxes	364,950	323,899
Depreciation and amortization (for fixed assets excluding leased vehicles)	190,011	190,377
Depreciation and amortization (for long term prepaid expenses)	12,907	13,984
Depreciation and amortization (for leased vehicles)	226,710	245,227
Increase (decrease) in allowance for doubtful accounts	4,730	(6,142)
Interest and dividends income	(15,947)	(22,931)
Interest expense	75,892	98,245
Equity in losses (earnings) of affiliates	(93,957)	(113,219)
Loss (gain) on sales of fixed assets	(1,138)	(9,799)
Loss on disposal of fixed assets	3,118	4,414
Decrease (increase) in trade notes and accounts receivable	237,745	249,928
Decrease (increase) in sales finance receivables	(392,326)	43,318
Decrease (increase) in inventories	(277,385)	(212,813)
Increase (decrease) in trade notes and accounts payable	75,616	(209,222)
Retirement benefit expenses	12,963	13,364
Payments related to net defined benefit assets and liabilities	(12,391)	(14,525)
Other	127,648	5,042
Subtotal	539,146	599,147
Interest and dividends received	14,641	26,218
Proceeds from dividends income from affiliates accounted for by equity method	54,733	70,613
Interest paid	(74,289)	(97,154)
Income taxes paid	(200,396)	(73,919)
Net cash provided by operating activities	333,835	524,905
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	3,460	295
Purchase of fixed assets	(197,931)	(199,714)
Proceeds from sales of fixed assets	19,338	23,824
Purchase of leased vehicles	(734,809)	(640,040)
Proceeds from sales of leased vehicles	307,225	355,426
Payments of long-term loans receivable	(127)	(214)
Collection of long-term loans receivable	405	164
Purchase of investment securities	(10,980)	(20,378)
Proceeds from sales of investment securities	5,995	—
Net decrease (increase) in restricted cash	(13,092)	73,228
Other	378	850
Net cash used in investing activities	(620,138)	(406,559)

(Millions of yen)

	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	43,977	153,322
Proceeds from long-term borrowings	595,827	298,005
Proceeds from issuance of bonds	549,695	255,081
Repayments of long-term borrowings	(665,625)	(573,317)
Redemption of bonds	(143,055)	(111,177)
Purchase of treasury stock	(3)	(3)
Proceeds from sales of treasury stock	257	—
Repayments of lease obligations	(16,486)	(15,016)
Cash dividends paid	(93,883)	(103,627)
Cash dividends paid to non-controlling interests	(15,315)	(14,912)
Purchase of treasury stock of subsidiaries	(14,273)	—
Other	(197)	—
Net cash provided by (used in) financing activities	240,919	(111,644)
Effects of exchange rate changes on cash and cash equivalents	7,443	(7,664)
Decrease in cash and cash equivalents	(37,941)	(962)
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 1,203,183	※1 1,206,153

## [Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

Six Months Ended September 30, 2018  
(From April 1, 2018 To September 30, 2018)

(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 first quarter of the fiscal year ending 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 the start of adoption, and was added to or subtracted from retained earnings at the beginning of the six months ended September 30, 2018.

As a result, the balance of retained earnings at the beginning of the six months ended September 30, 2018 decreased by ¥58,566 million. In addition, net sales and income before income taxes for the six months ended September 30, 2018 increased by ¥37,158 million and ¥63,671 million, respectively, and net sales for the three months ended September 30, 2018 decreased by ¥5,920 million and income before income taxes for the three months ended September 30, 2018 increased by ¥3,531 million.

(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 first quarter of the fiscal year ending 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 at the beginning of the six months ended September 30, 2018.

As a result, the balance of retained earnings at the beginning of the six months ended September 30, 2018 decreased by ¥2,288 million. The effects of these revisions on the quarterly consolidated statements of income for the six months and the three months ended September 30, 2018 are 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 first quarter of the fiscal year ending March 31, 2019.

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 consolidated balance sheets for the prior fiscal year, deferred tax liabilities decreased by ¥12,975 million, while retained earnings increased by ¥12,975 million.

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

Six Months Ended September 30, 2018  
(From April 1, 2018 To September 30, 2018)

(Calculation of tax expense)

Income taxes are determined based on the amount of income before income taxes for the current second quarter ended September 30, 2018 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2019.

Deferred income taxes are included in income taxes.

(Additional information)

Six Months Ended September 30, 2018  
(From April 1, 2018 To September 30, 2018)

“*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 first quarter of the fiscal year ending March 31, 2019, whereby deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under long-term liabilities.

(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 Second Quarter (As of September 30, 2018)
Assets leased to others under lease agreements (lessor)	2,677,762	2,823,994

## 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 Second Quarter (As of September 30, 2018)

### (1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※30,613	Guarantees for employees’ housing loans and others
33 foreign dealers	623	Guarantees for loans and others
Total	31,236	

※ 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.	46	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 \$34.2 million as of the current second 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)	
	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)
Cash on hand and in banks	1,046,568	1,086,910
Time deposits with maturities of more than three months	(16)	—
Cash equivalents included in securities (*)	156,631	119,243
Cash and cash equivalents	1,203,183	1,206,153

\*These represent short-term, highly liquid investments readily convertible into cash.

(For net assets)

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 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 September 30, 2017, and the effective date of which will be after September 30, 2017

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Meeting of the Board of Directors on November 8, 2017	Common stock	103,658	26.5	September 30, 2017	November 22, 2017	Retained earnings

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

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 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 September 30, 2018, and the effective date of which will be after September 30, 2018

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Source of dividends
Meeting of the Board of Directors on November 8, 2018	Common stock	111,474	28.5	September 30, 2018	November 28, 2018	Retained earnings

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

(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 International Financial Reporting Standards (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 first quarter of the fiscal year ending 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 the start of adoption, and was added to or subtracted from retained earnings for business segments at the beginning of the six months ended September 30, 2018.

As a result, the retained earnings in the summarized quarterly consolidated balance sheets by business segments at the beginning of the six months ended September 30, 2018 decreased by ¥58,566 million in Automobile & Eliminations. In addition, net sales and income before income taxes for the six months ended September 30, 2018 increased by ¥37,158 million and ¥63,671 million, respectively in Automobile & Eliminations, and net sales for the three months ended September 30, 2018 decreased by ¥5,920 million in Automobile & Eliminations and income before income taxes for the three months ended September 30, 2018 increased by ¥3,531 million 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 IFRS 9, “Financial Instruments” (July 24, 2014) from the first quarter of the fiscal year ending 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 for business segments at the beginning of the six months ended September 30, 2018.

As a result, the retained earnings in the summarized quarterly consolidated balance sheets by business segments at the beginning of the six months ended September 30, 2018 decreased by ¥5,671 million in Sales financing and increased by ¥3,383 million in Automobile & Eliminations. The effects of these revisions on the quarterly consolidated statements of income six months and the three months ended September 30, 2018 are 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 first quarter of the fiscal year ending March 31, 2019. 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

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2017
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	5,112,827	539,682	5,652,509	—	5,652,509
Inter-segment sales or transfers	71,573	22,775	94,348	(94,348)	—
Total	5,184,400	562,457	5,746,857	(94,348)	5,652,509
Segment profits	154,334	111,228	265,562	16,270	281,832

Prior Second Quarter (From July 1, 2017 To September 30, 2017)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior Second Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,614,868	277,205	2,892,073	—	2,892,073
Inter-segment sales or transfers	38,023	11,820	49,843	(49,843)	—
Total	2,652,891	289,025	2,941,916	(49,843)	2,892,073
Segment profits	63,934	56,382	120,316	8,200	128,516

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 Second Quarter (As of September 30, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	991,665	54,903	1,046,568
Trade notes and accounts receivable	589,138	963	590,101
Sales finance receivables	(113,387)	7,918,517	7,805,130
Inventories	1,575,815	46,661	1,622,476
Other current assets	435,293	384,110	819,403
Total current assets	3,478,524	8,405,154	11,883,678
II. Fixed assets			
Property, plant and equipment	2,619,332	2,759,577	5,378,909
Investment securities	1,200,716	24,579	1,225,295
Other fixed assets	597,635	100,596	698,231
Total fixed assets	4,417,683	2,884,752	7,302,435
Total assets	7,896,207	11,289,906	19,186,113
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,634,679	46,085	1,680,764
Short-term borrowings	(880,515)	3,913,265	3,032,750
Lease obligations	29,277	—	29,277
Other current liabilities	1,839,311	466,525	2,305,836
Total current liabilities	2,622,752	4,425,875	7,048,627
II. Long-term liabilities			
Bonds	275,000	1,671,065	1,946,065
Long-term borrowings	(65,458)	3,250,652	3,185,194
Lease obligations	16,791	6	16,797
Other long-term liabilities	767,885	835,545	1,603,430
Total long-term liabilities	994,218	5,757,268	6,751,486
Total liabilities	3,616,970	10,183,143	13,800,113
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	432,905	172,909	605,814
Capital surplus	785,205	33,380	818,585
Retained earnings	3,659,071	885,666	4,544,737
Treasury stock	(140,609)	—	(140,609)
Total shareholders' equity	4,736,572	1,091,955	5,828,527
II. Accumulated other comprehensive income			
Translation adjustments	(627,306)	(25,133)	(652,439)
Others	(80,251)	4,294	(75,957)
Total accumulated other comprehensive income	(707,557)	(20,839)	(728,396)
III. Share subscription rights	275	—	275
IV. Non-controlling interests	249,947	35,647	285,594
Total net assets	4,279,237	1,106,763	5,386,000
Total liabilities and net assets	7,896,207	11,289,906	19,186,113

- 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 ¥1,411,395 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	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	5,090,052	562,457	5,652,509
Cost of sales	4,248,255	377,317	4,625,572
Gross profit	841,797	185,140	1,026,937
Operating income as a percentage of net sales	3.4%	19.8%	5.0%
Operating income	170,604	111,228	281,832
Financial income / expenses, net	9,879	67	9,946
Other non-operating income and expenses, net	75,983	1,772	77,755
Ordinary income	256,466	113,067	369,533
Income before income taxes	250,575	114,375	364,950
Net income attributable to owners of parent	204,801	71,708	276,509

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	250,575	114,375	364,950
Depreciation and amortization	177,002	252,626	429,628
Decrease (increase) in sales finance receivables	105,276	(497,602)	(392,326)
Others	(115,658)	47,241	(68,417)
Net cash provided by (used in) operating activities	417,195	(83,360)	333,835
II. Cash flows from investing activities			
Purchase of fixed assets	(185,192)	(12,739)	(197,931)
Proceeds from sales of fixed assets	8,498	10,840	19,338
Purchase of leased vehicles	—	(734,809)	(734,809)
Proceeds from sales of leased vehicles	7	307,218	307,225
Others	(761)	(13,200)	(13,961)
Net cash used in investing activities	(177,448)	(442,690)	(620,138)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(49,844)	93,821	43,977
Net change in long-term borrowings and redemption of bonds	(103,434)	(109,419)	(212,853)
Proceeds from issuance of bonds	—	549,695	549,695
Others	(139,702)	(198)	(139,900)
Net cash provided by (used in) financing activities	(292,980)	533,899	240,919
IV. Effects of exchange rate changes on cash and cash equivalents	7,385	58	7,443
V. Increase (decrease) in cash and cash equivalents	(45,848)	7,907	(37,941)
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	1,144,127	59,056	1,203,183

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥78,030 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 ¥3,655 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,067,485	2,890,391	784,527	479,046	431,060	5,652,509	—	5,652,509
(2) Inter-segment sales	1,262,461	215,394	149,999	261,613	6,517	1,895,984	(1,895,984)	—
Total	2,329,946	3,105,785	934,526	740,659	437,577	7,548,493	(1,895,984)	5,652,509
Operating income (loss)	182,426	82,775	(5,213)	28,331	(7,849)	280,470	1,362	281,832

Prior Second Quarter (From July 1, 2017 To September 30, 2017)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	572,822	1,391,206	449,515	254,672	223,858	2,892,073	—	2,892,073
(2) Inter-segment sales	657,963	112,076	63,747	132,022	3,952	969,760	(969,760)	—
Total	1,230,785	1,503,282	513,262	386,694	227,810	3,861,833	(969,760)	2,892,073
Operating income (loss)	87,233	31,964	(2,487)	10,838	(6,739)	120,809	7,707	128,516

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

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2018
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	4,962,465	570,257	5,532,722	—	5,532,722
Inter-segment sales or transfers	71,007	24,291	95,298	(95,298)	—
Total	5,033,472	594,548	5,628,020	(95,298)	5,532,722
Segment profits	65,667	129,408	195,075	15,260	210,335

Current Second Quarter (From July 1, 2018 To September 30, 2018)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Second Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,527,664	288,466	2,816,130	—	2,816,130
Inter-segment sales or transfers	42,155	12,385	54,540	(54,540)	—
Total	2,569,819	300,851	2,870,670	(54,540)	2,816,130
Segment profits	27,675	66,269	93,944	7,247	101,191

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 Second Quarter (As of September 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
<b>Assets</b>			
I. Current assets			
Cash on hand and in banks	1,041,823	45,087	1,086,910
Trade notes and accounts receivable	493,120	1,375	494,495
Sales finance receivables	(121,474)	8,029,018	7,907,544
Inventories	1,479,916	54,301	1,534,217
Other current assets	495,640	225,838	721,478
Total current assets	3,389,025	8,355,619	11,744,644
II. Fixed assets			
Property, plant and equipment	2,578,663	2,818,281	5,396,944
Investment securities	1,293,227	4,484	1,297,711
Other fixed assets	581,206	110,098	691,304
Total fixed assets	4,453,096	2,932,863	7,385,959
Total assets	7,842,121	11,288,482	19,130,603
<b>Liabilities</b>			
I. Current liabilities			
Trade notes and accounts payable	1,559,053	32,383	1,591,436
Short-term borrowings	(417,236)	3,955,284	3,538,048
Lease obligations	18,766	—	18,766
Other current liabilities	1,816,154	461,391	2,277,545
Total current liabilities	2,976,737	4,449,058	7,425,795
II. Long-term liabilities			
Bonds	175,000	1,796,862	1,971,862
Long-term borrowings	(195,683)	2,744,805	2,549,122
Lease obligations	12,562	7	12,569
Other long-term liabilities	743,145	651,396	1,394,541
Total long-term liabilities	735,024	5,193,070	5,928,094
Total liabilities	3,711,761	9,642,128	13,353,889
<b>Net assets</b>			
I. Shareholders' equity			
Common stock	431,303	174,511	605,814
Capital surplus	642,645	172,769	815,414
Retained earnings	3,748,999	1,250,652	4,999,651
Treasury stock	(139,991)	—	(139,991)
Total shareholders' equity	4,682,956	1,597,932	6,280,888
II. Accumulated other comprehensive income			
Translation adjustments	(681,458)	(5,826)	(687,284)
Others	(123,828)	7,753	(116,075)
Total accumulated other comprehensive income	(805,286)	1,927	(803,359)
III. Share subscription rights	—	—	—
IV. Non-controlling interests	252,690	46,495	299,185
Total net assets	4,130,360	1,646,354	5,776,714
Total liabilities and net assets	7,842,121	11,288,482	19,130,603

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 ¥1,215,520 million.

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	4,938,174	594,548	5,532,722
Cost of sales	4,216,818	403,873	4,620,691
Gross profit	721,356	190,675	912,031
Operating income as a percentage of net sales	1.6%	21.8%	3.8%
Operating income	80,927	129,408	210,335
Financial income / expenses, net	17,225	(41)	17,184
Other non-operating income and expenses, net	101,516	897	102,413
Ordinary income	199,668	130,264	329,932
Income before income taxes	193,349	130,550	323,899
Net income attributable to owners of parent	161,315	84,943	246,258

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

(Millions of yen)

Accounts	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	193,349	130,550	323,899
Depreciation and amortization	184,634	264,954	449,588
Decrease (increase) in sales finance receivables	107,221	(63,903)	43,318
Others	(242,538)	(49,362)	(291,900)
Net cash provided by operating activities	242,666	282,239	524,905
II. Cash flows from investing activities			
Purchase of investment securities	(20,378)	—	(20,378)
Purchase of fixed assets	(187,740)	(11,974)	(199,714)
Proceeds from sales of fixed assets	11,044	12,780	23,824
Purchase of leased vehicles	—	(640,040)	(640,040)
Proceeds from sales of leased vehicles	—	355,426	355,426
Others	(81,982)	156,305	74,323
Net cash used in investing activities	(279,056)	(127,503)	(406,559)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	287,193	(133,871)	153,322
Net change in long-term borrowings and redemption of bonds	(24,212)	(362,277)	(386,489)
Proceeds from issuance of bonds	—	255,081	255,081
Others	(203,976)	70,418	(133,558)
Net cash provided by (used in) financing activities	59,005	(170,649)	(111,644)
IV. Effects of exchange rate changes on cash and cash equivalents	(7,423)	(241)	(7,664)
V. Increase (decrease) in cash and cash equivalents	15,192	(16,154)	(962)
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	1,156,928	49,225	1,206,153

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥33,544 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 ¥12,979 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,111,796	2,643,265	747,189	504,359	526,113	5,532,722	—	5,532,722
(2) Inter-segment sales	1,151,669	253,590	146,186	263,706	13,722	1,828,873	(1,828,873)	—
Total	2,263,465	2,896,855	893,375	768,065	539,835	7,361,595	(1,828,873)	5,532,722
Operating income (loss)	114,014	85,434	(16,960)	29,550	80	212,118	(1,783)	210,335

Current Second Quarter (From July 1, 2018 To September 30, 2018)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	588,989	1,335,309	373,986	259,681	258,165	2,816,130	—	2,816,130
(2) Inter-segment sales	567,590	125,490	71,404	133,647	9,293	907,424	(907,424)	—
Total	1,156,579	1,460,799	445,390	393,328	267,458	3,723,554	(907,424)	2,816,130
Operating income (loss)	56,378	35,962	(12,247)	11,724	221	92,038	9,153	101,191

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



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

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)

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

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

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

6. Information about goodwill by reportable segments

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)

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

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

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

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

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)

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

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

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

## 8. Information about geographical area

### Net sales

The Six-Month Period Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
888,518	2,827,623	2,266,150	814,980	624,865	496,523	5,652,509

Prior Second Quarter (From July 1, 2017 To September 30, 2017)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
474,103	1,361,546	1,078,567	464,699	337,963	253,762	2,892,073

Notes: 1. Regions are representing customers' location.

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

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

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

The Six-Month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
908,929	2,575,303	2,096,151	780,261	660,258	607,971	5,532,722

Current Second Quarter (From July 1, 2018 To September 30, 2018)  
(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
479,470	1,297,798	1,052,180	391,505	339,406	307,951	2,816,130

Notes: 1. Regions are representing 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.

	Six Months Ended September 30, 2017 (From April 1, 2017 To September 30, 2017)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)
(1) Basic earnings per share	¥70.69	¥62.97
(Basis for calculation)		
Net income attributable to owners of parent (Millions of yen)	276,509	246,258
Net income attributable to owners of parent relating to common stock (Millions of yen)	276,509	246,258
Average number of shares of common stock during the period (Thousands of shares)	3,911,479	3,910,887
(2) Diluted earnings per share	¥70.69	¥62.97
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	173	8
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

Interim dividends for the fiscal year ending March 31, 2019 were approved on November 8, 2018 by resolution of the meeting of the Board of Directors as follows:

According to its Articles of Incorporation, the Company plans to pay the following cash dividends to shareholders of record on September 30, 2018.

(1) Total interim dividends:	¥111,474 million
(2) Dividends per share:	¥28.5
(3) Entitlement date and commencement date of the payment	November 28, 2018

Note: Total dividends were obtained by deducting the amount corresponding to the equity of Renault shares held by the Company. Total amount of dividends before deducting the amount corresponding to the equity of Renault shares held by the Company was ¥119,480 million.

## **Part II Information on Guarantors for the Company**

Not applicable

(For Translation Purposes Only)

## Independent Auditor's Quarterly Review Report

November 9, 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 September 30, 2018, the quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income for the three-month and six-month periods then ended, quarterly consolidated statement of cash flows for the six-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 September 30, 2018, and the consolidated results of their operations for the three-month and six-month periods then ended and their cash flows for the six-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.

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### 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】**

<b>【Document Submitted】</b>	Confirmation Note
<b>【Article of the Applicable Law Requiring Submission of This Document】</b>	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Law
<b>【Filed to】</b>	Director, Kanto Local Finance Bureau
<b>【Date of Submission】</b>	November 12, 2018
<b>【Company Name】</b>	Nissan Jidosha Kabushiki-Kaisha
<b>【Company Name (in English)】</b>	Nissan Motor Co., Ltd.
<b>【Position and Name of Representative】</b>	Hiroto Saikawa, President
<b>【Position and Name of Chief Financial Officer】</b>	Hiroshi Karube, Chief Financial Officer
<b>【Location of Head Office】</b>	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
<b>【Place Where Available for Public Inspection】</b>	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 second quarter (from July 1, 2018 to September 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.