Financial Information as of March 31, 2020

(The English translation of the
“Yukashoken-Houkokusho” for
the year ended March 31, 2020)

Nissan Motor Co., Ltd.

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【Document Submitted】	Securities Report (“Yukashoken-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24, Paragraph 1 of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	July 6, 2020
【Business Year】	121st Fiscal Year (From April 1, 2019 To March 31, 2020)
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
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【Place Where Available for Public Inspection】	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

(1) Consolidated financial data

Fiscal year		117th	118th	119th	120th	121st
Year ended		March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Net sales	Millions of yen	12,189,519	11,720,041	11,951,169	11,574,247	9,878,866
Ordinary income	Millions of yen	862,272	864,733	750,302	546,498	44,049
Net income (loss) attributable to owners of parent	Millions of yen	523,841	663,499	746,892	319,138	(671,216)
Comprehensive income	Millions of yen	75,107	615,950	740,338	195,999	(1,084,147)
Net assets	Millions of yen	5,140,745	5,167,136	5,701,710	5,623,510	4,424,773
Total assets	Millions of yen	17,373,643	18,421,008	18,739,935	18,952,345	16,976,709
Net assets per share	Yen	1,132.61	1,242.90	1,380.36	1,355.18	1,038.95
Basic earnings (loss) per share	Yen	125.00	165.94	190.96	81.59	(171.54)
Diluted earnings per share	Yen	124.99	165.94	190.96	81.59	—
Net assets as a percentage of total assets	%	27.2	26.4	28.8	28.0	23.9
Rate of return on equity	%	11.0	13.8	14.6	6.0	(14.3)
Price earnings ratio	Times	8.33	6.47	5.78	11.13	—
Cash flows from operating activities	Millions of yen	927,013	1,335,473	1,071,250	1,450,888	1,185,854
Cash flows from investing activities	Millions of yen	(1,229,280)	(1,377,626)	(1,147,719)	(1,133,547)	(708,687)
Cash flows from financing activities	Millions of yen	530,606	320,610	36,810	(127,140)	(155,494)
Cash and cash equivalents at end of the period	Millions of yen	992,095	1,241,124	1,206,000	1,359,058	1,642,981
Employees ( ) represents the average number of part-time employees not included in the above numbers	Number	152,421 (19,007) 154,700 (19,343)	137,250 (19,366) 138,917 (19,716)	138,910 (19,924) 140,603 (20,290)	138,893 (19,240) 140,564 (19,619)	136,134 (17,597) 137,799 (18,012)

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

2. *"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc."* (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other standards have been applied from the beginning of the 120th fiscal year. Key financial data, etc. concerning the 119th fiscal year is presented as figures after the retrospective adoption of these accounting standards, etc.

3. Diluted earnings per share for the 121st fiscal year is not presented because a net loss per share was recorded although potential dilutive stock existed.

4. Price earnings ratio for the 121st fiscal year is not presented because a net loss per share was recorded.

5. Staff numbers, which are presented as the lower numbers in the "Employees" line, include those of unconsolidated subsidiaries accounted for by the equity method as reference data.

(2) Non-consolidated financial data

Fiscal year		117th	118th	119th	120th	121st
Year ended		March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
Net sales	Millions of yen	3,493,419	3,729,335	3,750,617	3,644,483	3,157,540
Ordinary income	Millions of yen	388,799	551,995	197,958	271,869	26,571
Net income (loss)	Millions of yen	251,009	585,951	129,044	168,552	(342,745)
Common stock	Millions of yen	605,813	605,813	605,813	605,813	605,813
Number of shares issued	Thousands	4,494,715	4,220,715	4,220,715	4,220,715	4,220,715
Net assets	Millions of yen	2,490,984	2,600,382	2,596,797	2,505,945	1,958,610
Total assets	Millions of yen	4,961,612	5,138,385	5,073,894	5,124,037	4,854,023
Net assets per share	Yen	557.81	620.39	619.40	597.75	467.19
Cash dividends per share (Interim cash dividends included herein)	Yen (Yen)	42 (21)	48 (24)	53 (26.5)	57 (28.5)	10 (10)
Basic earnings (loss) per share	Yen	55.92	136.80	30.79	40.21	(81.76)
Diluted earnings per share	Yen	55.92	136.79	30.79	40.21	—
Net assets as a percentage of total assets	%	50.2	50.6	51.2	48.9	40.4
Rate of return on equity	%	10.1	23.0	5.0	6.7	(15.4)
Price earnings ratio	Times	18.62	7.85	35.86	22.59	—
Cash dividends as a percentage of net income	%	75.1	35.1	172.1	141.8	—
Employees ( ) represents the average number of part-time employees not included in the above numbers	Number	22,471 (3,068)	22,209 (4,398)	22,272 (5,239)	22,791 (5,349)	22,717 (5,148)
Total shareholder return (Comparative index: Dividend-included TOPIX)	% (%)	88.5 (89.2)	95.1 (102.3)	101.9 (118.5)	90.5 (112.5)	46.3 (101.8)
Highest stock price	Yen	1,350.0	1,220.0	1,197.0	1,157.5	966.0
Lowest stock price	Yen	923.3	893.1	996.2	835.5	356.2

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

2. *"Partial Amendments to Accounting Standard for Tax Effect Accounting, etc."* (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) have been applied from the beginning of the 120th fiscal year. Key financial data, etc. concerning the 119th fiscal year are presented as figures after the retrospective adoption of these accounting standards, etc.

3. Diluted earnings per share for the 121st fiscal year is not presented because a net loss per share was recorded and the Company had no securities with dilutive effects.

4. Price earnings ratio and cash dividends as a percentage of net income for the 121st fiscal year are not presented because a net loss per share was recorded.

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

2. History

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

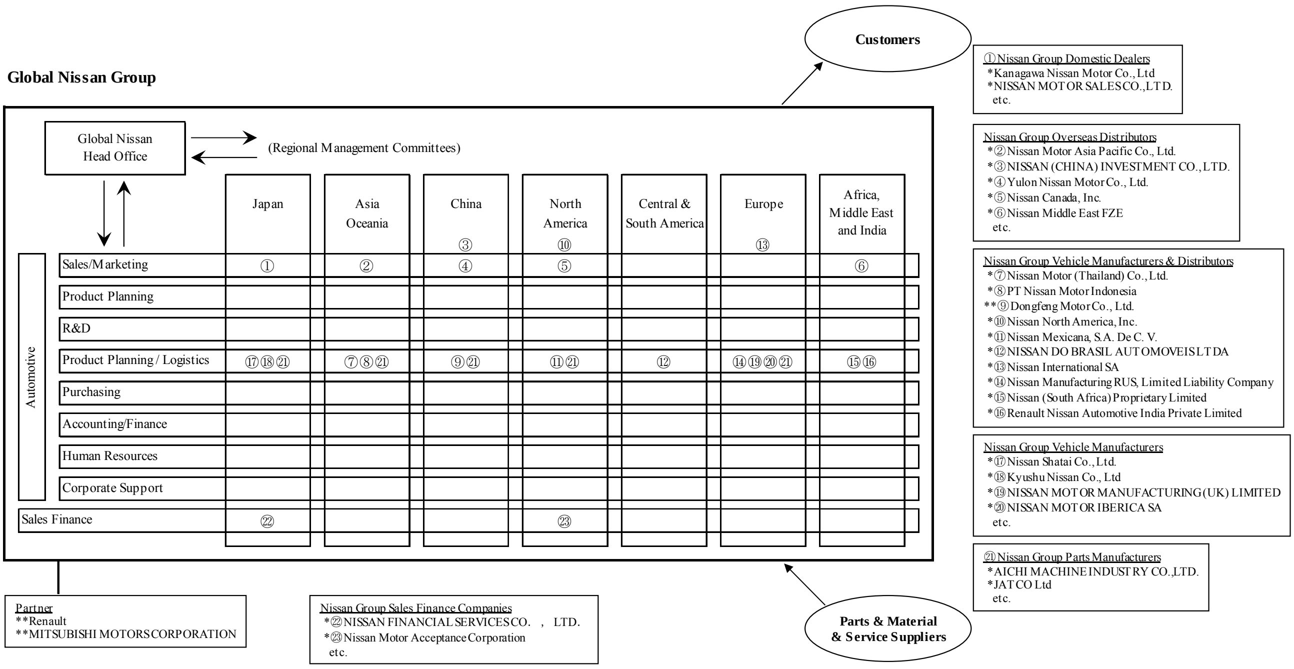
December 1998	Nissan North America, Inc. merged with Nissan Motor Corporation in U.S.A.
March 1999	The Company and Renault (currently an affiliate accounted for by the equity method) signed an agreement for a global alliance in automobile business, including equity participation.
July 1999	The Company sold its business related to the Fuji Plant to TransTechnology Ltd., which merged with JATCO CORPORATION into JATCO TransTechnology Ltd. (currently JATCO Ltd, a consolidated subsidiary).
April 2000	Nissan North America, Inc. merged with Nissan Motor Manufacturing Corporation U.S.A.
March 2001	Production of vehicles was discontinued at the Murayama Plant.
March 2002	Renault increased its stake in the Company to 44.4%.
March 2002	The Company acquired an interest in Renault through Nissan Finance Co., Ltd. (currently a consolidated subsidiary).
March 2002	The Company established Renault-Nissan B.V., a management organization with Renault.
August 2002	Nissan Europe S.A.S. (currently Nissan Automotive Europe; a consolidated subsidiary) was established to reorganize business in Europe.
March 2003	The Company liquidated Nissan Europe N.V.
May 2003	Nissan North America, Inc. established a new plant in Canton, Mississippi.
July 2003	Dongfeng Motor Co., Ltd. (currently an affiliate accounted for by the equity method) commenced its operations in China.
April 2004	The Company made Siam Nissan Automobile (currently Nissan Motor (Thailand) Co., Ltd., a consolidated subsidiary) into a subsidiary through underwriting of third party allocation of new shares.
May 2004	A plant of Dongfeng Motor Co., Ltd., was completed in Huadu, China.
January 2005	The Company made Calsonic Kansei Corporation into a subsidiary through underwriting of third party allocation of new shares.
December 2007	Renault Nissan Automotive India Private Limited (currently a consolidated subsidiary) was established.
January 2008	Nissan International SA (currently a consolidated subsidiary) began managing sales and manufacturing operations in Europe.
August 2009	The Global Headquarters moved to Yokohama.
April 2010	The Company entered into an agreement with Renault and Daimler AG on a strategic cooperative relationship including equity participation.
July 2011	The Company established Nissan Motor Asia Pacific Co., Ltd. (currently a consolidated subsidiary), a regional headquarter in ASEAN.
August 2011	Nissan Motor Kyushu Co., Ltd. (currently a consolidated subsidiary) was incorporated from the Kyushu Plant of the Company as its parent organization.
November 2013	Construction of the second plant of Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), was completed in Aguascalientes, Mexico.
April 2014	Construction of a plant of Nissan Do Brasil Automóveis Ltda. (currently a consolidated subsidiary) was completed in Resende, Brazil.
May 2014	Construction of the second plant of PT. Nissan Motor Indonesia (currently a consolidated subsidiary) was completed in Purwakarta, Indonesia.
May 2016	The Company entered into an agreement with MITSUBISHI MOTORS CORPORATION on a strategic cooperative relationship including equity participation.
October 2016	The Company acquired an interest in MITSUBISHI MOTORS CORPORATION (currently an affiliate accounted for by the equity method) through underwriting of third-party allocation of new shares.
March 2017	The tender offer for the shares of Calsonic Kansei Corporation came into effect and all Calsonic Kansei Corporation’s shares held by the Company were sold to CK Holdings Co., Ltd.
June 2017	The Company established Nissan-Mitsubishi B.V., a joint venture company with MITSUBISHI MOTORS CORPORATION.
July 2018	Construction of the Santa Isabel Plant of Nissan Argentina S.A. (currently a consolidated subsidiary) was completed.
June 2019	Transition to a company with three statutory committees

3. Description of business

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

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

The Group’s structure is summarized as follows:



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

- In addition to the above companies, *Nissan Trading Co., Ltd., *NISSAN NETWORK HOLDINGS COMPANY LIMITED and others are included in the Group
- The Group’s consolidated subsidiary listed on the domestic stock exchanges among above mentioned is as follows:

  Nissan Shatai Co., Ltd. - Tokyo

4. Information on subsidiaries and affiliates

(1) Consolidated subsidiaries

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

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number	Millions of yen		
NISSAN FINANCE CO., LTD.	Nishi-ku, Yokohama-shi	2,491	Finance to group companies	100.00	—	—	5	1	355,422 funded as working capital	Lending for the group loan provided for domestic subsidiaries	None
Kanagawa Nissan Motor Co., Ltd	Nishi-ku, Yokohama-shi	90	Selling automobiles and parts	100.00	(100.00)	3	1	1	None	Purchasing products manufactured by NML	None
NISSAN MOTOR SALES CO.,LTD.	Minato-ku, Tokyo	480	Selling automobiles and parts	100.00	—	2	2	1	None	Purchasing products manufactured by NML	None
Nissan Buhin Chuo Hanbai Co., Ltd.	Ota-ku, Tokyo	545	Selling parts for automobile repairs	84.05	(37.81)	6	1	—	None	Purchasing parts for repairs from NML	None
Nissan Car Rental Solutions Co., Ltd.	Nishi-ku, Yokohama-shi	90	Car rentals	100.00	(100.00)	1	3	1	None	Purchasing automobiles for car rental business from NML	None
Other domestic consolidated subsidiaries		52 companies									
Total domestic consolidated subsidiaries		67 companies									

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
☆ NISSAN AUTOMOTIVE EUROPE	Montigny-le-Bretonneux, Yvelines, France	Millions of Euro 1,626	Holding company for European subsidiaries and pan-European operational support	100.00	(48.00)	—	—	—	None	None	None
☆ Nissan International Holding B.V.	Amsterdam, The Netherlands	Millions of Euro 1,932	Holding company for subsidiaries	100.00	—	—	2	—	110,545 funded as working capital	None	None
NISSAN WEST EUROPE	Voisins-le-Bretonneux, Yvelines, France	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR (GB) LIMITED	Rickmansworth, Hertfordshire, United Kingdom	Millions of £ stg. 136	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ NISSAN HOLDINGS (UK) LIMITED	Sunderland, Tyne & Wear, United Kingdom	Millions of Euro 871	Holding company for British subsidiaries	100.00	(100.00)	—	—	—	None	None	None
NISSAN ITALIA S.R.L.	Rome, Italy	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
◇ NISSAN MOTOR MANUFACTURING (UK) LIMITED	Sunderland, Tyne & Wear, United Kingdom	Millions of £ stg. 250	Manufacturing and selling automobiles and parts, as well as vehicle development, technical survey, evaluation and certification in Europe	100.00	(100.00)	—	—	1	None	Purchasing products manufactured by NML	None
Nissan International SA	Rolle, Vaud, Switzerland	Millions of Euro 37	Managing sales and manufacturing operations in Europe	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
☆◇ NISSAN MOTOR IBERICA SA	Barcelona, Spain	Millions of Euro 726	Manufacturing and selling automobiles and parts	99.81	(93.25)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN IBERIA, S.A.	Barcelona, Spain	Millions of Euro 12	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Manufacturing RUS, Limited Liability Company	Sankt-Petersburg, Russia	Millions of Rubles 31,300	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆◎ Nissan North America, Inc.	Franklin, Tennessee, U.S.A.	Millions of US$ 1,792	Managing subsidiaries in North America and manufacturing and selling automobiles and parts	100.00	—	—	1	—	None	Purchasing products manufactured by NML	None
☆ Nissan Motor Acceptance Corporation	Franklin, Tennessee, U.S.A.	Millions of US$ 500	Financing retail and wholesale of automobiles and automobile leases	100.00	(100.00)	—	1	—	None	Providing loans and other for sales finance services for vehicles manufactured by the Company	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
Nissan Global Reinsurance, Ltd.	Hamilton, Bermuda	Thousands of US$ 120	Casualty insurance	100.00	(100.00)	—	1	—	None	Providing casualty insurance	None
Nissan Canada, Inc.	Mississauga, Ontario, Canada	Millions of Can$ 81	Selling automobiles and parts, financing retail and wholesale of automobiles and automobile leases	100.00	(9.09)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan Mexicana, S.A. de C.V.	Mexico, Mexico	Millions of MX Peso 17,049	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	2	1	32,649 funded as capital expenditure	Purchasing products manufactured by NML	None
☆ NISSAN DO BRASIL AUTOMOVEIS LTDA	Rio de Janeiro, Brazil	Millions of BRL 6,896	Manufacturing and selling automobiles and parts	100.00	(99.00)	—	—	6	None	Purchasing products manufactured by NML	None
Nissan Motor Co. (Australia) Pty. Ltd.	Dandenong, Victoria, Australia	Millions of A$ 290	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Motor Egypt S.A.E.	6th of October City, Giza, Egypt	Millions of EG£ (LE) 3,382	Manufacturing and selling automobiles and parts	100.00	(0.00)	—	1	1	None	Purchasing products manufactured by NML	None
Nissan (South Africa) Proprietary Limited	Rosslyn, South Africa	Millions of Rand 3	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	6,425 funded as capital expenditure and working capital	Purchasing products manufactured by NML	None
Nissan New Zealand Limited	Auckland, New Zealand	Millions of NZ$ 51	Selling automobiles and parts	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Middle East FZE	Dubai, UAE	Millions of Dh. 2	Managing operation in Middle East and selling automobiles and parts	100.00	—	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Motor India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 18,900	Selling automobiles and parts	100.00	(100.00)	—	1	—	None	Purchasing products manufactured by NML	None
☆ Renault Nissan Automotive India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 57,732	Manufacturing and selling automobiles and parts	70.00	(45.00)	—	—	—	None	Purchasing products manufactured by NML	None
◇ PT Nissan Motor Indonesia	Kota Bukit Indah, Purwakarta, Indonesia	Millions of IDR 2,592,390	Manufacturing and selling automobiles and parts	75.00	—	—	—	3	46,326 funded as capital expenditure and working capital	Purchasing products manufactured by NML	None
Nissan Motor (Thailand) Co., Ltd.	Bangsaothong, Samutpraken, Thailand	Millions of THB 1,944	Manufacturing and selling automobiles and parts	75.00	(75.00)	—	—	2	None	Purchasing products manufactured by NML and selling finished cars to NML	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
※ Yulon Nissan Motor Co., Ltd.	Miaoli, Republic of China	Millions of TWD 3,000	Selling automobiles and parts	40.00	—	—	2	2	None	Purchasing products manufactured by NML	None
☆ NISSAN (CHINA) INVESTMENT CO., LTD.	Beijing, China	Millions of CNY 8,476	Managing business in China and selling automobiles	100.00	—	—	3	—	None	Purchasing products manufactured by NML	None
Nissan Motor Asia Pacific Co., Ltd.	Bangsaothong, Samutprakarn, Thailand	Millions of THB 409	Management and operational support in ASEAN and selling automobiles and parts	100.00	—	—	2	1	None	Purchasing products manufactured by NML	None
Nissan Chile SpA	Santiago, Chile	Millions of CLP 24,269	Selling automobiles and parts	100.00	—	—	1	—	10,369 funded as working capital	Purchasing products manufactured by NML	None
Nissan Otomotiv Anonim Sirketi	Istanbul, Turkey	Millions of TRY 106	Selling automobiles and parts	100.00	(100.00)	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Argentina S. A.	City of Buenos Aires, Argentine	Millions of ARS 22,959	Manufacturing and selling automobiles and parts	100.00	(98.00)	—	—	—	None	Purchasing products manufactured by NML	None
Other foreign consolidated subsidiaries		98 companies									
Total foreign consolidated subsidiaries		130 companies									
Total consolidated subsidiaries		197 companies									

(2) Affiliates accounted for by the equity method

Name of company	Location	Capital	Description of principal business	Percentage of voting rights held by NML		Relationship with NML					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
# NISSAN TOKYO SALES HOLDINGS CO., LTD.	Shinagawa-ku, Tokyo	Millions of yen 13,752	Selling automobiles and parts	34.04	(34.04)	2	—	—	None	Purchasing products manufactured by NML	None
# (Note 5) Renault S.A.	Boulogne, Billancourt, France	Millions of Euro 1,127	Manufacturing and selling automobiles and parts	15.30	(15.30)	—	2	—	None	Mutual production and joint development of vehicles and parts	None
Dongfeng Motor Co., Ltd.	Wuhan, Hubei, China	Millions of CNY 16,700	Manufacturing and selling automobiles and parts	50.00	(50.00)	—	4	—	None	Purchasing products manufactured by NML	None
# MITSUBISHI MOTORS CORPORATION	Minato-ku, Tokyo	Millions of yen 284,382	Manufacturing and selling automobiles and parts	34.04	—	—	1	—	None	Mutual production and joint development of vehicles and parts	Mutually leasing land, buildings and production facilities with NML
Other affiliates accounted for by the equity method 28 companies											
Total affiliates accounted for by the equity method 32 companies											

Notes: 1. Companies marked ☆ are specified subsidiaries.

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

3. Net sales (excluding intercompany sales within the Group) of the company marked ◎ (Nissan North America, Inc.) exceeded 10% of consolidated net sales for the year ended March 31, 2020. Therefore, the key financial data for Nissan North America, which consolidates the financial data for its 20 subsidiaries and affiliates, are shown below. For those companies that have not prepared their stand-alone financial statements as of the filing date of this Securities Report, the key financial data is based on the financial information of the companies that the Company obtained to prepare the consolidated financial statements.

(1) Net sales	¥4,203,009 million
(2) Ordinary income	¥(94,787) million
(3) Net income	¥(269,093) million
(4) Net assets	¥760,605 million
(5) Total assets	¥7,162,657 million

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

5. Companies marked with ◇ are subsidiaries for which liabilities exceed total assets. At the end of fiscal year March 31, 2020, the amount by which liabilities exceeded assets was ￥35,280 million for NISSAN MOTOR MANUFACTURING (UK) LIMITED, ￥21,360 million for NISSAN MOTOR IBERICA SA, and ￥13,440 million for PT Nissan Motor Indonesia. For foreign consolidated subsidiaries that have not prepared their stand-alone financial statements as of the filing date of this Securities Report, the amount by which liabilities exceeded assets is based on the financial information of the companies that the Company obtained to prepare the consolidated financial statements.

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

5. Employees

(1) Consolidated group companies

(As of March 31, 2020)

Geographical segment	Number of employees	
Japan	58,134	(15,522)
North America	36,148	(743)
(the United States of America included therein)	17,212	(16)
Europe	14,824	(972)
Asia	21,023	(219)
Other overseas countries	6,005	(141)
Total	136,134	(17,597)

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2020, and are not included in the number of full-time employees.

2. The number of employees engaged in sales finance business was 3,917 (147).

(2) The Company

(As of March 31, 2020)

Number of employees	Average age (Years)	Average years of service (Years)	Average annual salary (Yen)
22,717 (5,148)	41.4	17.7	8,102,672

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2020, and are not included in the number of full-time employees.

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

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

(3) Trade union

Most of the Company’s employees are affiliated with the NISSAN MOTOR WORKERS’ UNION, for which the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS, and the Japanese Trade Union Confederation (RENGO) through the CONFEDERATION OF JAPAN AUTOMOBILE WORKERS’ UNIONS. The labor-management relations of the Company are stable, and the number of union members was 26,316 including those of Nissan Motor Kyushu Co., Ltd. as of March 31, 2020.
At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS.
At foreign Group companies, employees’ rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country.

2. Business Overview

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

(1) Management policy and business strategies

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

As it develops as a company through its full range of global activities, Nissan seeks to not only create economic value but also contribute solutions to society as a leading global automaker. Nissan is committed to all stakeholders—including customers, shareholders, employees and the communities where it does business—and to delivering valuable and sustainable mobility for all. Furthermore, we pursue the realization of a zero-emission, zero-fatality society by actively contributing to the sustainable development of society.

The Group announced on May 28, 2020, a four-year plan, NISSAN NEXT, to achieve sustainable growth, financial stability and profitability by the end of FY2023.
Over the years, the Company expanded its business scale (production capacity) centered on emerging markets with the assumption that demand will increase. The Company adopted a stretched growth strategy that placed the highest priority on sales volume.
While this strategy resulted in temporary success, it postponed necessary investments in products and technologies. As a result, the Company was forced to rely on excessive incentives for sales, thus resulting in a damaged brand. Promoting a sales expansion strategy without properly allocating management resources led to the current poor business performance.
In order for the Company to recover, it will be necessary to fundamentally change the way in which its conventional businesses are operated, requiring many exhaustive efforts. At the same time, it means that all employees must work together to devote themselves to creating a brand that fits Nissan's name. By the end of FY2023, the Company's major mission is to rebuild its business foundation to compete in the next decade and move the Company to a new stage.
The Company needs to be reformed to achieve this goal. The Company devised a powerful strategy to bring out its true strengths of potential, diversity and manufacturing. The Company will concentrate its efforts on building a solid financial foundation and globally competitive products. The Company will bring out its true value through major changes to recover a sustainable business. To that end, the Company will focus on two priority areas.
The first is rationalization. The Company will implement a solid plan aimed at structural reforms in its business, as well as cost reductions and improvements in efficiency. The Company will become leaner by focusing on expanding profits, improving profitability and extending its strengths, regardless of scale and market share. As a concrete measure, the Company will rationalize its production capacity and organize its global product lineup. Both of these involve tough decisions but they are important activities that enable significant reductions in fixed costs.
The second is prioritize and focus. The Company will refocus its efforts on core competencies in priority markets, main products and priority technologies while leveraging the power of the Alliance. Through creation of products that change the perspective of customers, the Company will establish a business foundation that allows it to challenge the competition more strongly than ever.
By implementing the plan, Nissan aims to achieve a 5% operating profit margin and a sustainable global market share of 6% by the end of FY2023, including proportionate contributions from its 50% equity joint venture in China. Our transformation plan aims to ensure steady growth instead of excessive sales expansion. We will now concentrate on our core competencies and enhancing the quality of our business, while maintaining financial discipline and focusing on net revenue per unit to achieve profitability. This coincides with the restoration of a culture defined by "Nissan-ness" for a new era.
The road to recovery is not easy but the Company will put forth its entire power to overcome it. As the automobile industry approaches a major turning point, the Company will aim to become a company of great value, which is needed by society, by fulfilling its role while maximizing its strengths to bring about the mobile society of the future.

The Company, Renault and MITSUBISHI MOTORS CORPORATION (hereinafter the "member companies"), the members of one of the world's leading automotive alliances, announced on May 27, 2020, several initiatives as part of a new cooperation business model to enhance the competitiveness and profitability of the member companies. The member companies plan to build on existing Alliance benefits in areas such as joint purchasing by leveraging their respective leadership positions and geographic strengths to support their partners' business development. This new business model will enable members companies to bring out the most of their expertise and competitiveness to reinforce the Alliance as a whole in a radically changing global automotive environment.

Nissan will recover by the end of FY2023 and generate healthy free cash flows in the automobile business. Nissan must deliver value for customers around the world. To do this, we must make breakthroughs in the products, technologies and markets where we are competitive. This is Nissan's DNA. In this new era, Nissan remains people-focused, to deliver technologies for all people and to continue addressing challenges as only Nissan can.

(2) FY2019 business environment and major Key Performance Indicators

As to the global economy for the current fiscal year, it has fallen into a sudden economic downturn due to the widespread of COVID-19 globally. COVID-19 has deeply impacted financial activities, with this impact also being belt in the automotive industry. The Company also has its own issues that have combined with these external factors and worsened our financial results.

As a result, the followings are the Group's targets and achievements.

The Company uses its consolidated operating profit, free cash flows in the automobile business, quality and employee engagement based on the proportionate consolidation of its Chinese joint venture considering that China is one of the most important markets in the global automotive industry today. These four categories were selected because they are drivers contributing to the Company's "sustainable growth." Each of the four categories for indicating the achievement of the performance goal has been assigned a weighted ratio, the sum of all of which equals 100%, taking into account the target level. The target level is based on the business forecast determined at the beginning of the current fiscal year. As for the Company's consolidated operating profit, the FY2019 "target" was set at ¥492 billion. The Company's actual consolidated operating profit was ¥116.7 billion, resulting in an achievement rate of 0%. As for the Company's free cash flows in the automobile business, the FY2019 "target" was set at ¥130 billion. The Company's actual free cash flows in the automobile business were negative ¥626.9 billion, resulting in an achievement rate of 0%. As for the quality factor, the Company's internal management goals of the FY2019 "target", which consisted of quality assurance and customer satisfaction consideration, were achieved, resulting in an achievement rate of 100%. As for the employee engagement, the Company's internal management goal of the FY2019 "target" was set based on the external benchmarking (i.e., an employee survey adopted by many global corporations) and the achievement rate was 83%. The Company's overall achievement based on these factors resulted in a weighted average achievement ratio of 19%. With respect to the actual figures of the two financial categories, the Company uses financial figures that reflect the impacts of exchange rate fluctuations.

For more detailed financial results for the current fiscal year, please refer to the section, "3. Analysis of financial position, operating results and cash flows by management."

(3) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the fiscal year ended March 31, 2020, are as follows.

Since the discovery of nonconformities in the final vehicle inspection process (kanken) at its plants in Japan in 2017, 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 the Ministry of Land, Infrastructure, Transport and Tourism a report that comprises Nissan's understanding of the facts, along with its countermeasures.

On December 19, 2018, the Company solemnly accepted the Ministry of Land, Infrastructure, Transport and Tourism's process improvement directives related to the Company's nonconformities in the final vehicle inspection process (kanken) at plants in Japan, and the Company reported the status of process improvement on May 17, September 4, December 13, 2019 and April 24, 2020. Although discovered internally, the Company finds it most regretful that nonconformities in the kanken process had continued. As a companywide exercise, the Company remains committed to safety, and will continue to carry out comprehensive checks of frameworks, organizations and processes related to regulatory compliance.

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

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

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

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

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

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

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

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

The Company has filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and has filed a lawsuit based on the order seeking damages, etc. Also, on February 12, 2020, the Company has filed a lawsuit against Carlos Ghosn in Japan, seeking recovery of damages. Going forward, the Company will continue to take necessary measures based on the findings of the Company's internal investigation, including legal action to claim damages, in order to account for the responsibility of the former chairman and others.

The Company has received a written notice of commencement of trial procedures dated December 13, 2019, from the Commissioner of the FSA. In response to this written notice, on December 23, 2019, the Company has submitted a written answer not disputing the alleged facts and the amount of the administrative monetary penalty. After that, the Company has received the administrative monetary penalty payment order, dated February 27, 2020, of 2,424,895,000 yen from the Commissioner of the FSA. In accordance with the administrative monetary penalty payment order and payment notice, the Company has made the penalty payment of 1,406,250,000 yen, which became due.

In December 2019, new management has been established, whose members have been selected by the Nomination Committee. As demonstrated by the establishment of new management, strengthening of the supervisory function of internal audit, and so on, the Company is working on various countermeasures to prevent recurrence.
The Company continues its efforts to improve its governance, including ongoing implementation of the improvement measures stated in the Improvement Measures Status Report submitted to Tokyo Stock Exchange on January 16, 2020, as well as reviewing necessary improvements from time to time going forward. The Company also continues to reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.

2. Business and other risks

With regard to disclosure in the Business Overview, Financial Information and other parts of this Securities Report, the significant items which may affect the decisions of our investors can be grouped under the following risk factors.
Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as of July 6, 2020.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

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

(2) Situation regarding resources and energy

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

2. Rapid changes and moves in the automotive market

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

3. Risks related to the financial market

(1) Fluctuations in foreign currency exchange rates

The Group's finished cars, are produced in 18 markets, and are sold in more than 170 countries. The Group's procurement activities for raw materials, parts/components and services are conducted in many countries. As the consolidated financial statements of the Group are calculated and presented in Japanese yen, the appreciation of the yen against other currencies adversely affects Group's financial business performance, in general. In contrast, the depreciation of the yen against other currencies favorably affects Group's financial business performance. Any sharp appreciation of the currencies of countries where the Group manufactures vehicles could lead to increases in production costs that would adversely affect the Group's competitiveness.

The Company has taken fundamental measures to reduce the risk of fluctuations in foreign exchange rates, including localization of production and procurement of raw materials and parts/components denominated in foreign currencies. However, it is impossible to fully offset foreign exchange risk and thus fluctuations beyond normal expectation could have a significant effect on the Group's business performance and financial position.

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

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

(3) Marketable securities price risk

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

(4) Liquidity risk

Environmental changes beyond normal expectation could occur in the financial market and the liquidity risk is also increased in the event of credit rating downgrade of Nissan by Japanese and international rating agencies. In order to respond to such changes, the Group endeavors to raise funds from various sources such as an accumulation of internal cash generation, loan commitment agreements with financial institutions and diversification of funding sources and geographies for fund-raising by formulating relevant internal rules so that the Group can ensure an appropriate level of liquidity. The Group reduces liquidity risk by maintaining access to unused committed credit lines and keeping significant cash in the automobile business. However, market environment could entail a greater than-anticipated level of risk that might hinder the smooth execution of the initially planned financing, thereby having an adverse effect on the Group's financial position and business performance.

(5) Sales financing business risk

Sales finance is an integral part of the Group's business providing financial solution to consumers, commercial customers, and dealers to allow these customers to own or be able to sell the Group's vehicles. The Sales Finance Business Units support automotive sales while maintaining appropriate profitability and sound risk management practices to maintain a healthy and sustainable financial condition. However, providing financial solutions to its customers does expose the Sales Finance Business Units to risks, chief among them being Interest-Rate Risk, Credit Risk, and Residual Value Risk. If unmanaged, these risk factors could adversely affect the Group's financial position and business performance.

To mitigate these risks, the Sales Financing Business Units have robust policies and risk management frameworks in place.

For Interest-Rate Risk, the Company focuses on strict asset liability management minimizing duration and asset liability rate mismatch (fixed/floating), as well as, focusing on minimizing exposure to market rate movements. However, the Group's sales finance business is impacted by higher interest cost driven by credit rating downgrades.

Credit Risk is managed at underwriting time and during the life of the financial product. During underwriting, the Sales Finance Business Units follow strict underwriting policies that establish appropriate limits on multiple variables that describe the customer's payment capacity, repayment character, available capital, appropriate collateral, and financing conditions. During credit term or in the event of payment delinquency, extensive collection strategies are in place to minimize any potential losses.

For Residual Value Risk management, the Group focuses on setting appropriate residual values through well-coordinated cross-functional teams based on 3rd party independent evaluation and statistical analysis of historical used-car market data. On a strategic level, Residual Value Risk is also managed by building brand value and hence increasing the future market value of Nissan vehicles through controlling the level and type of sales incentives on new vehicles, maintaining appropriate fleet sales levels and promoting certified pre-owned vehicles.

(6) Counterparty credit risk

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

(7) Employee retirement benefit expenses and obligations

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

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

(1) Risks involved in international activities and overseas expansion

The Group's products finished cars are produced in 18 markets, and are sold in more than 170 markets. It is possible that the Group's global manufacturing and marketing activities will be extended in the future to other countries and regions mainly in the emerging nations. The Group forecasts and sufficiently evaluates a wide variety of risks inherent in conducting business in overseas markets including the factors noted below. Nevertheless, each of these factors could entail unpredictable risks or a greater-than-anticipated level of risk at any place in our overseas presence without achieving the planned rate of capacity utilization and/or profitability, which could have effects on the Group's financial position and business performance.

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

(2) Research and development

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

(3) Collaboration with other corporations

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

(4) Quality of products and services

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

(5) Risks associated with climate change

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

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

In particular, CO_2 emissions when vehicles are used, accounting for more than 80% of the total, are significantly higher compared to the emissions derived from ordinary corporate activities, and therefore might trigger risks such as climate change-related regulations in the near future (CO_2 emissions for vehicles in use were 180,882 kton-CO_2 of the 206,336 kton-CO_2 in emissions for the entire value chain, both actual performance for fiscal year 2018).

Consequently, according to the 2ºC Scenario of the Intergovernmental Panel on Climate Change (IPCC), the Group declared a long-term vision of reducing CO_2 emissions discharged from new cars by 90% by 2050 compared to emissions in 2000 and achieved in 2010 for the first time in the world mass-production of EVs that address transition risks of climate change. Concerning more stringent regulations on fuel consumption and CO_2 emissions in Europe and the United States of America, the Group already has implemented the latest electrification technologies such as e-power at the occasion of model changes, and expects to assuredly comply with these regulations. In Japan, approximately two-thirds of the passenger vehicles already have been electrified (new car sales basis), and the Group aims to sell one million electric drive vehicles annually by fiscal year 2023. In the Nissan Green Program 2022, the Group intends to achieve the target of reducing 40% of CO_2 emissions discharged from new cars by 2022 with these initiatives. In fiscal year 2018, the reduction effect reached 33%.

The Group recognizes that it is important to consider different resilient strategies, in which possible changes are assessed according to several scenarios, for example, in view of a 1.5ºC or 4ºC rise in temperature in considering the risks and opportunities that might be caused by uncertain future phenomena such as climate change. Therefore, the Group started to analyze each scenario to clarify possible impacts. While the Group plans to introduce details in the Company's Sustainability Report and other documentation, greater impacts or potential for creating opportunities for each scenario are currently expected in the following areas:

Scenarios assumed	Areas of impact	Details of impact of greater opportunities and risks relating to climate change on businesses.
1.5ºC	Policies and legal regulations	Development of electric powertrain technologies and increase in production costs in response to more stringent regulations on fuel consumption and exhaust emissions of automobiles.
		Increase in energy costs due to carbon tax expansion and increase in investment in energy saving facilities in response to such tax expansion.
	Technological change	Effect on costs incurred by adopting next-generation automobile technologies such as expansion of EV related technology including vehicle battery and autonomous driving technology.
		Effect resulting from increased demand on the supply chain for rare metals, which are raw materials for vehicle batteries, and increased cost to stabilize such supply chain.
	Market change	Possibility of decrease in number of new vehicles sold caused by choice of public transportation or bicycle and transfer to mobility services by consumers due to their change in awareness.
	(Opportunity)	Increase in provision of electricity management opportunity with Vehicle-to-Grid (V2X), charging/discharging electricity technology for EV, and rediscovery of value of EV.
4ºC	Abnormal weather conditions	Effects of abnormal weather such as heavy rain and drought on supply chains and operations of production bases, and increases in non-life insurance premiums and air-conditioning costs.
	(Opportunity)	Surge in the need for emergency power sources using EV batteries as a disaster prevention/management measure.

However, if society as a whole does not quickly take measures to address climate change, the Group might suffer from the transition risk that could be caused by harsher policies and/or legal regulation toward a carbon-free society, an increase in R&D operations and actual market demand and/or a change in corporate reputation, as well as the physical risk of an increase in disasters due to abnormal weather conditions and sea surface elevation, which could have a significant effect on the Group's business performance and financial position due to a possible increase in costs to address the respective risks and a possible decline in car sales performance.

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

The automobile industry worldwide is influenced by a broad spectrum of environmental and safety related regulations governing the emission levels of exhaust fumes, CO_2/fuel economy guidelines, noise level, chemical substance management, recycling and water resources. These regulations have become increasingly stringent.

NISSAN has established an organizational system that interacts and cooperates with each region, each function and various stakeholders in order to promote comprehensive environmental management as a global company, responding to diversifying environmental issues. Corporate officers elected in accordance with agenda items attend the Global Environmental Management Committee (G-EMC), which is held twice a year and co-chaired by the Directors, where company-wide policies and contents of reports to the Board of Directors are resolved. In addition, the Group understands that environmental risks including climate change are reported regularly at the Internal Control Committee, and are thus under control.

Indeed, compliance with such regulations is obvious to industrial corporations, and the Group is actively committed both inside and outside of the Group to several continuous environmental activities based on the Nissan Green Program 2022 as part of CSR and to ensure and/or maintain an advantageous position against competitors. However, the burden of ongoing development and investments has been increasing. As a consequence, a further rise in these costs could have an impact on the Group's financial position and business performance.

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

(7) Critical lawsuits and claims

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

(8) Limit of protecting intellectual assets

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

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

(9) Recruitment and retaining of talented human resources

The Group considers human resources to be the source of competitiveness such as manufacturing ability and therefore the most important corporate assets. The Group therefore focuses its efforts on recruiting talented people globally, enhancing investments in the development of human resources and fair performance evaluation and compensation systems, such as "business leader development program", "evaluation and compensation systems bases on results," and "systems to support diversified working styles" to maximize their abilities. However, competition in the industry to secure talented people is intense. Should appropriate recruitment and/or retaining of such desirable human resources not go according to plan, such an unsuccessful personnel development strategy could adversely affect and reduce the competitiveness of the Group on a long-term basis.

(10) Compliance and reputation

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

On the other hand, in 2018 and 2019, a former Representative Director of the Company was indicted on suspicion of violation of the Financial Instruments and Exchange Law (charged with submitting false securities reports) and a former Representative Director, Chairman was additionally indicted on suspicion of violation of the Corporate Law (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violation of the Financial Instruments and Exchange Law. The Company took this situation very seriously and formed a Special Committee for Improving Governance (SCIG) consisting of several independent third parties and independent Outside Directors of the Company. The Company continues to improve governance, reform the corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management. In addition, in June 2019, the Company submitted an Improvement Measures Report, which states details of the situation and the improvement measures, to the Tokyo Stock Exchange. In January 2020, the Improvement Measures Status Report, which describes status of implementation and operation of the improvement measures, was submitted to the Tokyo Stock Exchange.

However, compliance issues apply to any and all actions of all employees, all corporate vice presidents and all directors. Accordingly, it is difficult to completely prevent such incidents unless the entire Company clearly recognizes the importance of compliance and the need to improve the environment for effective adherence thereto, as well as ensuring that every employee, officer or director truly understands the importance of compliance and acts everyday with compliance in mind. Should the needed governance not be fully realized or any compliance violation recur, the social credibility of the Group and trust in its brand or products could be impaired and significantly affect the Group's business performance.

The number of laws, regulations and rules that should be observed is increasing year by year, whereas expectations and demands relative to CSR in contemporary society are also increasing. Even if the perpetrator of an improper act is its secondary or tertiary supplier or distributor, or in the case when such incidents happen regarding products that were distributed in channels other than the regular sales route anticipated by the Group, the Group could be criticized for social responsibility and delayed, insufficient and/or improper responses on compliance-related issues could adversely affect the confidence and/or reputation of the Group, thereby adversely affecting the Group's business performance through, for example, a possible decline in sales resulting from a damaged reputation.

5. Continuation of business

(1) Large-scale natural disasters

The Group, with corporate headquarters and many of its manufacturing facilities located in Japan, considers geographical risk of earthquakes (tsunamis) and water damage as the most important risk to be managed. The Group has developed basic guidelines on earthquake risk management, and has organized a global task force, which is composed of key members of the Management Council, to direct disaster prevention and recovery activities. In addition, the Group has been strengthening its manufacturing facilities with anti-seismic reinforcement. The Group also promotes establishment of measures for volcanic eruption as part of its earthquake countermeasures. However, if an unexpectedly severe earthquake were to hit one of the Group’s key facilities causing a halt in production, this would significantly affect the Group’s financial position and business performance.

Moreover, the Group also addresses preventive measures and the improvement of the emergency response system and establishment of systems that can utilize the batteries of EVs as emergency electric supplies during power outages, to prepare for risks of earthquakes (tsunamis) and recent increases in water damage events (typhoons and floods). Nevertheless, if any of these risk factors occurs or spreads on an unprecedented scale, such risk could adversely affect the Group’s financial position and business performance.

In the wake of the Great East Japan Earthquake, the Kumamoto Earthquake, the heavy rain in west Japan, Typhoons Faxai and Hagibis, various unforeseen risks emerged as listed below.

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

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

(2) Purchase of raw materials and parts

The Group purchases raw materials, parts/components and services from many suppliers by reason of its business structure. In addition, the use of rare metals, of which production volume is extremely small and production mines are limited to a small number of countries or regions, has been increasing, in association with the implementation of new technologies. As a result, the Group is exposed to risks such as a drastic change in the supply-demand balance, disasters, pandemic, discovery of human rights violations or a radical change in the political situation of a production country. In order to minimize such risks, the Group has strived continuously for enhancement of a stable procurement system including BCP level improvement in cooperation with suppliers and consideration of alternative suppliers. However, an unpredictable change in market conditions could entail a greater-than-anticipated level of risk in the stable procurement of necessary raw materials, parts/components on an ongoing basis, which could adversely affect the Group’s financial position and business performance.

(3) Dependency on specific suppliers

If procurement of higher technology or higher quality is pursued at more competitive pricing, actual orders might sometimes concentrate on only one or a small limited number of suppliers. In addition, some special technologies can only be provided by limited suppliers. Although the Group has continuously strived to review and strengthen its supply chains, in order to minimize risks, by considering alternative suppliers including secondary and tertiary suppliers, a possible suspension of supply due to any unforeseen accident or any delay or deficit in supply could lead to the forced suspension of the Nissan Group’s production plants, thereby adversely affecting the Group’s financial position and business performance.

(4) Computer information system

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

To cope with these risk factors, the Group has taken a variety of hardware-based and software-oriented measures, including the preparation of Business Continuity Plan (“BCP”) and the improvement of security countermeasures.

However, the possible occurrence of any greater-than-anticipated disaster, cyber-attack or infection from a computer virus could cause incidents such as the suspension of business operations due to system outage, the disappearance of important data, and theft or leakage of confidential information and/or private information. Consequently, such incidents could have a significant adverse effect on the Group's financial position, as well as the Group's business performance and/or the reputation of reliability.

(5) Pandemic risk

The worldwide spread of COVID-19 since the end of 2019 has been threatening the health and safety of employees and their families as well as causing reduction or suspension of production activities and voluntary restraint or reduction of events including new car releases across the world.

The spread of the H1N1 flu in 2009 caused the Group to establish a global basic policy for prevention of infection and expansion and set employee action guidelines to clarify how to respond to infection among employees. At the same time, the Group has established a Business Continuity Plan ("BCP") and promoted preparation for continuation of business.

In response to the spread of COVID-19, the Group has launched a specific team to globally carry out activities with the aim of ensuring of the health and safety of employees and their families, prevention of spread of the virus, support for medical institutions, and continuation or restoration of business activities.

However, the end of COVID-19 outbreak is still highly unpredictable. If the impact persists, risks related to production activities and sales activities could expand and demand could decline worldwide, which could significantly impact on the Group's financial position, such as cash flows and business performance including sales and income.

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

(1) Overview of the operating results, etc.

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

1) Financial position and operating results

The global industry volume totaled 85.73 million units for the current fiscal year, a decrease of 6.9% year on year. This was mainly due to the slowdown in the China market and stagnation of global markets due from the impact of the COVID-19 in the 4th quarter. Global sales of the Group for the year ended March 31, 2020, decreased by 10.6% year on year to 4,930 thousand units. Net sales of the Group for the year ended March 31, 2020, totaled ¥9,878.9 billion, which represents a decrease of ¥1,695.3 billion (14.6%) relative to net sales for the prior fiscal year. Operating loss was ¥40.5 billion for the current fiscal year, a deterioration of ¥358.7 billion from the prior fiscal year.

Net non-operating income was ¥84.5 billion for the current fiscal year, decreasing by ¥143.8 billion from the prior fiscal year. As a result, ordinary income reached ¥44.0 billion, decreasing by ¥502.5 billion (91.9%) compared with the prior fiscal year. Net special losses of ¥617.0 billion were recorded for the current fiscal year, deteriorating by ¥548.2 billion from the prior fiscal year. Loss before income taxes was ¥573.0 billion for the current fiscal year, deteriorating by ¥1,050.7 billion from the prior fiscal year. Finally, net loss attributable to owners of parent for the year ended March 31, 2020, was ¥671.2 billion, a deterioration of ¥990.3 billion from the prior fiscal year.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year increased by ¥283.9 billion (20.9%) from the end of the prior fiscal year to ¥1,643.0 billion. This reflected ¥1,185.9 billion in net cash provided by operating activities, ¥708.7 billion in net cash used in investing activities and ¥155.5 billion in net cash used in financing activities, as well as a decrease of ¥44.0 billion in the effects of foreign exchange rate movements on cash and cash equivalents and a ¥6.2 billion increase attributable to a change in the scope of consolidation.

3) Production, orders received and sales

a. Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	900,781	757,692	(143,089)	(15.9)
The United States of America	820,527	694,305	(126,222)	(15.4)
Mexico	734,304	611,025	(123,279)	(16.8)
The United Kingdom	415,364	325,243	(90,121)	(21.7)
Spain	88,679	55,022	(33,657)	(38.0)
Russia	52,929	54,420	1,491	2.8
Thailand	166,849	137,160	(29,689)	(17.8)
Indonesia	8,746	3,114	(5,632)	(64.4)
Philippines	4,664	5,109	445	9.5
India	182,486	203,173	20,687	11.3
South Africa	36,981	31,601	(5,380)	(14.5)
Brazil	106,011	101,803	(4,208)	(4.0)
Argentina	6,773	10,815	4,042	59.7
Egypt	18,183	16,244	(1,939)	(10.7)
Total	3,543,277	3,006,726	(536,551)	(15.1)

Note: The figures represent the production figures for the 12-month period from April 1, 2019 to March 31, 2020.

b. Orders received

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

c. Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	575,230	514,490	(60,740)	(10.6)
North America	1,849,312	1,500,667	(348,645)	(18.9)
(the United States of America included therein)	1,406,510	1,137,598	(268,912)	(19.1)
Europe	635,282	523,752	(111,530)	(17.6)
Asia	341,196	299,728	(41,468)	(12.2)
Other overseas countries	572,701	510,987	(61,714)	(10.8)
Total	3,973,721	3,349,624	(624,097)	(15.7)

Note: The figures in China and Taiwan, which are included in "Asia," represent the sales figures for the 12-month period from January 1 to December 31, 2019. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 12-month period from April 1, 2019 to March 31, 2020.

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

The following analysis and discussions of the Group's operating results, etc., from the viewpoint of management are, in principle, based on the consolidated financial statements.
Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of July 6, 2020, the date of filing this Securities Report.

1) Significant accounting policies and estimates

The Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to select and apply the accounting policies and to make certain estimates which affect the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. Although management believes that the estimates made reasonably reflect past experience as well as present circumstances, the actual results could differ substantially because of the uncertainty inherent in those estimates.
In preparing the consolidated financial statements, significant estimates are as follows. The impact of COVID-19 on accounting estimates is described in the (Additional information) of the 1. Consolidated Financial Statements in 5. Financial Information

a) Allowance for doubtful accounts
An allowance for doubtful accounts is provided to recognize bad debt losses for sales finance receivables, automotive trade receivables, etc. based on an estimate of their collectability calculated based on past experience. When estimating the collectability of receivables, the Group evaluates the credit risk of customers and the value of assets pledged as collateral. In addition, if the credit risk of receivables changes due to changes in the external environment, such as the expectation of a significant deterioration in economic indicators due to the impact of COVID-19 etc., the Company will adjust the estimate to include these factors if necessary. For example, the Group may need to increase the allowance or incur bad debt losses if estimates based on past experience differ materially from market value forecasts, perceived individual credit risk, or a deterioration in the value of pledged collateral. Certain foreign subsidiaries and affiliates classify financial assets into stages according to their credit risk and recognize allowances for doubtful accounts based on financial asset impairment losses calculated using the expected credit loss model in accordance with International Financial Reporting Standards (IFRS) 9. This standard requires a majority of assets to be measured as the present value of credit losses from default events projected within the next twelve months. However, if an asset experiences a significant increase in credit risk, the allowance is measured as the present value of credit losses expected over the entire life of the asset. Therefore, allowances under IFRS can increase based on the changes in assumptions that drive credit risk assessments, such as past experience, used car prices, and forecasts of macroeconomic factors, such as unemployment rates or inflation.

b) Impairment loss on fixed assets
After grouping fixed assets based on business segments (automobiles and sales financing) and regional classification, which are mutually complementary with each other, the Group determines whether there is any indication of impairment and then recognizes and measures impairment losses. The Group reasonably estimates future cash flows and net realizable value in recognizing and measuring impairment losses, and discount rates in measuring impairment losses.

The assumptions used to estimate future cash flows are based on the Company's business plan which is approved by the Management meeting considering historical market share conditions, profit margins, and third-party forecast data. Regional market growth rates, relevant market trends, and expected changes in the business environment are also considered. Net realizable value is calculated based on the real estate appraisal value etc. and other publicly available information. The discount rate is calculated based on the weighted average cost of capital, taking into account country risk and other factors in each country.

If market trends, operating conditions or business plans related to the asset group change and the Company revises its estimates of future cash flows, net realizable value or discount rates, then the Company may recognize or record new or additional impairment losses on fixed assets.

c) Provision for residual value risk of leased vehicles

Subsidiaries, primarily in North America, estimate provisions for the residual value risk of leased vehicles to cover losses that arise when proceeds from leased vehicles that have been returned fall below the net book values of these assets at lease-end. Such provisions for residual value risk of leased vehicles are recognized as a change in estimate and their ending book value is updated, leading to higher depreciation amounts. Assessment of updated vehicle residual values are based on many factors, including, but not limited to sales results for used cars, trends in returns of leased vehicles, new vehicle sales trends, supplies of used cars, customer preferences, marketing strategies, and general economic conditions. Leased vehicles may be impaired if impairment indicators exist and their recoverable amount is less than book value.

d) Deferred tax assets

In assessing the recoverability of deferred tax assets, future taxable income is reasonably estimated based on the Company's business plan which is approved by the Management meeting for any future deductible temporary differences that remain after taking into account the reversal of future taxable temporary differences and feasible tax planning strategies. Additional tax expenses may be recognized when changes are made to estimated future taxable income following changes in the economic environment, such as market trends and exchange rate fluctuations, or changes in the Company's business plans.

e) Accrued warranty costs

Accrued warranty costs are provided to cover the cost of all services relating to sold products anticipated to be incurred. The amount of such costs is estimated in accordance with warranty contracts based on forecasts of cost incurring patterns within warranty periods in considering of past experience against the total amount of costs incurred during the entire warranty period for each group of products that have similar cost characteristics. The Group places a high priority on safety and makes every effort to enhance safety every step of the way, from research and development to manufacturing and sales services. However, if the estimates of future warranty costs differ significantly from the pattern of actual costs incurred due to product defects or other variables, the Group could incur a loss on the provision of additional accrual for warranty costs.

f) Expenses for market measures such as recalls

The amount of estimated expenses for market measures is recognized as accrued expenses other than accrued warranty costs when market measures based on notifications to government authorities are deemed to be necessary, expenditure on market measures is likely to be incurred, and the amount of such expenditure can be reasonably estimated. In estimating expenses, the estimated accrual is calculated based on the number of applicable model in the market, the expected implementation rates of market measures, the cost of market measures and other cost per unit. The expected implementation rates of market measures are estimated based on historical results by sales region, brand, and age of product portfolio. The Company checks trends in market measures every quarter, and additional accrued expenses may be recorded or reversed if actual accruals differ from estimates.

g) Retirement benefit expenses

The amounts of retirement benefit obligations and related expenses of the Group, which provides retirement benefits for Group Company employees, are calculated using various actuarial assumptions including discount rates, retirement rates, and mortality rates, as well as the long-term expected rates of return on plan assets, and other factors. For foreign subsidiaries that apply International Financial Reporting Standards (IFRS), the same index as the actuarial discount rate is used as net interest and not the expected rate of return on plan assets. When the Group's actual results differ from assumptions or when assumptions change, the resulting effects are accumulated and recognized ratably over future periods. This could cause additional expenses and liabilities to be recorded in future periods.

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

(Operating results)

a. Net sales
Consolidated net sales for the current fiscal year were ¥9,878.9 billion, a decrease of ¥1,695.3 billion (14.6%) year on year. Major revenue-decreasing factors were the slowdown in the China market and stagnation of global markets due from the impact of the COVID-19 in the 4th quarter as well as the decrease in sales primarily in North America and Europe in the first 3 quarters, which led to a decrease in the number of vehicles sold for the full year.

b. Operating income
Consolidated operating loss totaled ¥40.5 billion, a deterioration of ¥358.7 billion from the prior fiscal year.
Major profit-deteriorating factors were external factors including foreign exchange fluctuations, regulatory compliance expenses and product enrichment costs, and rising commodity prices, as these continue to pressure the automotive industry. Also, the decrease in sales volume continues to weigh on our profit as we suffer from an aging product portfolio and limited profit contribution from our efforts to normalize sales.

c. Non-operating income and expenses
Consolidated net non-operating income amounted to ¥84.5 billion for the current fiscal year, decreased by ¥143.8 billion from net non-operating income of ¥228.3 billion for the prior fiscal year. This result was mainly attributable to a decrease in equity in earnings of affiliates.

d. Special gains and losses
Consolidated net special losses of ¥617.0 billion were recorded for the current fiscal year, deteriorated by ¥548.2 billion from net special losses of ¥68.8 billion for the prior fiscal year. This was mainly due to costs associated with restructuring as measures to improve the company's profitability and impairments based on the future volume projections of ¥603.0 billion in total.

e. Income taxes
Income taxes for the current fiscal year decreased by ¥42.6 billion (31.4%) to ¥93.2 billion from the prior fiscal year.

f. Net income attributable to owners of parent
Net loss attributable to owners of parent for the current fiscal year deteriorated by ¥990.3 billion from the prior fiscal year to ¥671.2 billion.

(Business segments)

a. Automobiles
The Group's worldwide automobile sales (on a retail basis) for the year ended March 31, 2020, decreased by 586 thousand units (10.6%) from the prior fiscal year to 4,930 thousand units. This was mainly due to the slowdown in the China market and stagnation of global markets due from the impact of the COVID-19 in the 4th quarter as well as the decrease in sales primarily in North America and Europe in the first 3 quarters. The number of vehicles sold in Japan decreased by 10.3% to 534 thousand units. Vehicles sold in China decreased by 1.1% to 1,547 thousand units. Those sold in North America including Mexico and Canada decreased by 14.6% to 1,620 thousand units, those sold in Europe decreased by 19.1% to 521 thousand units and those sold in other overseas countries decreased by 13.1% to 708 thousand units.

Net sales in the automobile business (including intersegment sales) for the current fiscal year decreased by ¥1,668.2 billion (15.8%) from the prior fiscal year to ¥8,915.9 billion.

Operating loss amounted to ¥264.2 billion for the year ended March 31, 2020, a deterioration of ¥330.2 billion from the prior fiscal year. Major profit-deteriorating factors were external factors including foreign exchange fluctuations, regulatory compliance expenses and product enrichment costs, and rising commodity prices, as these continue to pressure the automotive industry. Also, the decrease in sales volume continues to weigh on our profit as we suffer from an aging product portfolio and limited profit contribution from our efforts to normalize sales.

b. Sales finance
Net sales in the sales finance business (including inter-segment sales) for the year ended March 31, 2020, decreased by ¥34.3 billion (2.9%) to ¥1,163.3 billion. Operating income decreased by ¥17.5 billion (7.7%) from the prior fiscal year to ¥210.5 billion. A major profit-decreasing factor was a decrease in profit of sales finance companies in the United States of America.

(Geographic segment)

a. Japan

Due to the consumption tax rate increase and typhoons after the 3rd quarter and COVID-19 impact in the 4th quarter, in Japan market, the total industry volume ("TIV") decreased by 4.2% year on year to 5.04 million units. The Group's sales decreased by 10.3% from the prior fiscal year to 534 thousand units. The Group's market share decreased to 10.6%, down 0.7 percentage point year on year. As a result, net sales in Japan (including intersegment sales) for the current fiscal year decreased by ¥590.4 billion (12.9%) from the prior fiscal year to ¥3,984.5 billion. Operating loss was ¥51.7 billion deteriorated by ¥219.6 billion from the prior fiscal year. A major profit-deteriorating factor was a decrease in the number of vehicles sold (including exports) despite the favorable effect of a reduction in purchasing costs.

b. North America

In North America market, including Mexico and Canada, TIV decreased by 4.3% to 19.67 million units. The Group's sales in North America decreased by 14.6% to 1.62 million units. Net sales in North America (including intersegment sales) for the current fiscal year decreased by ¥956.7 billion (15.7%) to ¥5,140.6 billion. Operating loss was ¥15.9 billion, which deteriorated by ¥88.0 billion from the prior fiscal year. A major profit-deteriorating factor was a decrease in the number of vehicles sold despite the favorable effect of a reduction in purchasing costs.
Even though the United States of America market was supported by the robust economy and low interest rates up until February 2020 minimizing the year-over-year decrease in TIV, it decreased dramatically by 3.6% to 16.55 million units due to the impact of COVID-19 in the 4th quarter. The Group sold 1,237 thousand units, down 14.3% from the prior fiscal year. The Group's market share decreased by 0.9 percentage point to 7.5%.

c. Europe

Due to the reacting impact of introducing a new fuel economy standard, WLTP, in the prior fiscal year, in Europe market, TIV increased year-over-year until the 3rd quarter. However, it decreased dramatically by the impact of COVID-19 in the 4th quarter. In Europe market, TIV decreased by 4.6% to 19.12 million units. The Group sold 432 thousand units in Europe, excluding Russia, down 19.4% from the prior fiscal year. The Group's market share decreased by 0.5 percentage point to 2.5%. In addition, the Group's sales in Russia market decreased by 17.6% to 88 thousand units. Net sales in Europe (including intersegment sales) for the current fiscal year were ¥1,479.0 billion, a decrease of ¥359.1 billion (19.5%) from the prior fiscal year. Operating loss of ¥29.0 billion was recorded for the current fiscal year, deteriorating by ¥12.3 billion from the prior fiscal year. Major deteriorating factor was a decrease in the number of vehicles sold despite a favorable effect of reduction in purchasing costs.

d. Asia

Sales volume in Asia market, excluding China, decreased by 16.9% to 216 thousand units. Net sales in Asia (including intersegment sales) for the current fiscal year decreased by ¥218.5 billion (13.9%) from the prior fiscal year to ¥1,354.8 billion. Operating income for the current fiscal year was ¥39.1 billion, a decrease of ¥31.9 billion (45.0%) from the prior fiscal year.
Because of the slowdown in the China economy and dramatic decrease in the sales volume of NEV due to governmental subsidy reduction, in China market, TIV decreased by 8.6% to 24.31 million units. The Group's sales in China decreased by 1.1% from the prior fiscal year to 1,547 thousand units, accounting for a market share of 6.4%, up 0.5 percentage point year on year. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., is reflected as a gain on the equity in earnings of affiliates in Non-operating income.

e. Other overseas countries

In other markets, consisting of Oceania, Middle East, South Africa and Central and South America excluding Mexico, the Group's sales volume decreased by 11.4% to 492 thousand units. The Group's sales volume in Latin America market decreased by 8.6% year on year to 205 thousand units. The Group's sales volume in the Middle East decreased by 11.9% year on year to 145 thousand units. Meanwhile, the Group's sales volume in Africa market such as South Africa decreased to 83 thousand units, down 18.0%, better than the TIV decrease of 25.0%. Net sales in other markets consisting of the aforementioned regions (including intersegment sales) for the current fiscal year decreased by ¥178.8 billion (16.8%) from the prior fiscal year to ¥883.9 billion. An operating loss of ¥4.0 billion was recorded for the current fiscal year, improving by ¥1.4 billion from the prior fiscal year.

(Analysis of sources of capital and liquidity)

a. Cash flows

(Cash flows from operating activities)
Net cash provided by operating activities decreased by ¥265.0 billion to ¥1,185.9 billion in the current fiscal year from ¥1,450.9 billion provided in the prior fiscal year. This was mainly attributable to a decrease in revenue resulting from sales volume decline due to intensifying competition and an impact of COVID-19, and losses in the automobile business, while net cash from operating activities in sales finance business increased.

(Cash flows from investing activities)
Net cash used in investing activities decreased by ¥424.8 billion to ¥708.7 billion in the current fiscal year from ¥1,133.5 billion used in the prior fiscal year. This was mainly attributable to a decrease in net payment (net difference between the payment for purchase and the proceeds from sales) of leased vehicles in the sales finance business. The Group kept investing in the automobile business including new product and the development on new technology such as advanced driver assistance.

(Cash flows from financing activities)
Net cash used in financing activities was ¥155.5 billion in the current fiscal year, an increase in cash outflows of ¥28.4 billion compared with ¥127.1 billion used in the prior fiscal year. This was mainly attributable to a decrease in funding needs in the sales finance business.

As the cash and cash equivalents in the automobile business at the end of the current fiscal year exceeded interest-bearing debt, the Group had net cash of ¥1,064.6 billion in the cash position, and the free cash flows in the automobile business for the current year were negative ¥641.0 billion.

Information by segments is as follows

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

（Millions of yen）

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	646,842	804,046	1,450,888
Cash flows from investing activities	(455,700)	(677,847)	(1,133,547)
Cash flows from financing activities	13,031	(140,171)	(127,140)

Current fiscal year (From April 1, 2019 To March 31, 2020)

（Millions of yen）

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(212,474)	1,398,328	1,185,854
Cash flows from investing activities	(428,541)	(280,146)	(708,687)
Cash flows from financing activities	847,555	(1,003,049)	(155,494)

Comparison to prior fiscal year

（Millions of yen）

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(859,316)	594,282	(265,034)
Cash flows from investing activities	27,159	397,701	424,860
Cash flows from financing activities	834,524	(862,878)	(28,354)

b. Financial policies

Financial activities within the Group are managed centrally by the Finance and Accounting Department of the Company. Several activities are underway within the Group to improve funding efficiency through the implementation of a global cash management system.
The Group has developed a basic financial strategy under which the Group raises funds from appropriate sources and maintains an appropriate level of liquidity and a sound financial position so that the Group can make investments in research and development activities, capital expenditures and its finance business on a timely basis.
The Group manages the investments in research and development activities and capital expenditures at a relatively constant rate against annual sales. The Group plans to focus our business resources on core markets, core models and core technologies. The Group focuses on the quality of the financial assets and invests in its sales finance business. The Group decides the distribution of dividends to shareholders, considering various factors including profits and free cash flows.
It is necessary to pay careful attention to the liquidity of the Group in view of the recent cash usage in the automotive business, credit rating downgrade and impact from COVID-19. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents as above, the Group believes that a level of liquidity sufficient to meet the Group's funding requirements is being maintained. The Group had ¥1,494.6 billion of cash and cash equivalents in the automobile business and the Group had approximately ¥1,300 billion of committed lines available for drawing as of March 31, 2020, and the Company and its subsidiaries raised funds in an aggregate amount of ¥832.6 billion with multiple financial institutions after April 2020.
Whether or not the Group can raise funds without collateral and the related costs depends upon the credit rating of the Group. Currently, the Group's credit rating is investment grade, however, this favorable rating is not presented herein with the intention of inviting the purchase or holding of the Group's debt securities.

4. Important business contracts

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

5. Research and development activities

The Group has been proactively conducting research and development activities in diverse fields such as global environmental conservation and safety to realize a sustainable mobility society.

The research and development costs of the Group amounted to ¥544.8 billion for the current fiscal year.

The Group's research and development organization and the results of its activities are summarized as follows:

(1) Research and development organization

The Group's domestic research and development activities are promoted by Nissan Shatai Co., Ltd., and NISSAN AUTOMOTIVE TECHNOLOGY CO., LTD., for vehicle development and by AICHI MACHINE INDUSTRY CO.,LTD., JATCO Ltd, etc. for unit development, under the designated delegation of roles and via close collaboration with the Company, for which the central R&D body is the Nissan Technical Center (in Atsugi-shi, Kanagawa).

In the Western countries, Nissan North America, Inc. in the United States of America, Nissan Mexicana, S.A. De C. V. in Mexico, NISSAN MOTOR MANUFACTURING (UK) LIMITED in the United Kingdom and NISSAN MOTOR IBERICA SA in Spain design and develop several vehicle models. The Alliance Innovation Lab Silicon Valley in the United States engages in the research of autonomous driving vehicles and our state-of-the-art Information and Communication Technology (ICT) development.

In Asia, NISSAN (CHINA) INVESTMENT CO., LTD., Dongfeng Motor Co., Ltd., a joint venture in China with Dongfeng Motor Group Co., Ltd., Yulon Nissan Motor Co., Ltd., a joint venture in Taiwan with Yulon Motor Co., Ltd., Nissan Motor Asia Pacific Co., Ltd. in Thailand and Renault Nissan Technology & Business Centre India Private Limited in India design and develop several vehicle models. Moreover, Alliance Automotive Research & Development (Shanghai) Co., Ltd., a joint venture company with Renault, was established in 2019 and focuses on research and development of autonomous driving vehicles, EVs and connected cars.

NISSAN DO BRASIL AUTOMOVEIS LTDA in South America and Nissan (South Africa) Proprietary Limited in South Africa partially engage in the development of locally produced vehicles.

Renault, MITSUBISHI MOTORS CORPORATION and Nissan share respective roles in the development of next-generation technologies, platforms and powertrains to accelerate their common use in the pursuit of further efficiency in management resources under the new Alliance activities released in May 2020. Meanwhile, the Company is continuing the strategic cooperative relationship with Daimler AG.

(2) New vehicles under development

In Japan, the Group launched the new "Skyline" and new "NISSAN ROOX" models. Overseas, the Group launched the new "VERSA" and "Sentra" models in North America, a new "Nissan Juke" model in Europe, and the new "Altima" and "Sylphy" models in China.

(3) Development of new technologies

As for the environment, the group aim to reduce 40% of CO2 emissions discharged from new cars by 2022 compared with 2010, in line the Nissan Green Program 2022. To this end, we will reduce fuel consumption and CO2 emissions through the technological innovation of manufacturing, including motorization of vehicles.

As for EVs, the sales volume of the "NISSAN LEAF" being launched in 56 countries and regions has increased steadily. As of March 2020, cumulative global sales exceeded 470 thousand units and global sales volume of NISSAN's overall EV vehicles including the "e-NV200" model, the "Sylphy Zero Emission" model, the "e30" model under the "Venucia" brand and models under Dongfeng brand surpassed 600 thousand units. The "NISSAN LEAF e+" model was additionally launched in Japan and the United States of America in fiscal year 2018, in response to a broad range of customer needs. The "NISSAN LEAF" brand is highly acclaimed worldwide. In Japan, the new "NISSAN LEAF" was awarded the Car Technology of the Year by the JAPAN AUTOMOTIVE HALL OF FAME. It also received the "Best of Innovation award winners for 2018" at the Consumer Electronics Show 2018, the "2018 World Green Car" award at the 2018 New York International Auto Show, the "J.D. Power Engineering Award for Highest-Rated Vehicle Redesign" at the 2019 SAE International World Congress Experience in the United States of America, and the "Best Electric Car" award at the 2018 What Car? Awards in Europe. The "e-NV200" had been launched in Europe, Japan and Hong Kong as of March 2020. Its commercial applications have expanded, such as operation of the "e-NV200" model as taxis in Barcelona, Spain, and Amsterdam, Netherlands. This model is also used for various commercial purposes in Japan including shipping services by delivery companies in urban areas and by local municipalities.

In the motorization of vehicles, the e-POWER system equipped on the "NOTE" for the first time in fiscal year 2016 has been extensively adopted for the "SERENA," which was awarded the "RJC's Technology of the Year" for 2019, the "Global NEV Top Innovative Technology Award" at the 2019 World New Energy Vehicles Congress (WNEVC) held by the China Association for Science and Technology and others, and the "Contribution Prize" at the 52nd Ichimura Prizes in Industry. The e-POWER system offers full electric motor drive, meaning that the wheels are completely driven by the electric motor. The "NOTE e-POWER" achieved best-in-class fuel economy (*1) compared to conventional hybrid vehicles under urban conditions in which the vehicles are frequently driven, as optimal driving performance is achieved by an engine whose sole function is to generate electricity to power its 100% electric motor drive system.

The plans to introduce more than eight electric vehicle models by fiscal year 2023 are well underway. Furthermore, the Company will expand the e-POWER into the B and C segments of the global market. This will improve the electrification rate to 60% in Japan / 23% in China / 50% in Europe by fiscal year 2023, aiming to sell more than 1 million vehicles equipped with electrification technology annually.

As for the improvement of internal-combustion engines, our VC-Turbo engine, the world's first production-ready variable compression ratio engine, was equipped onboard the new “INFINITI QX50” and then extensively adopted for the new “Altima” model in the United States of America and China. As proven by having won the “Technological Development Award” from the Society of Automotive Engineers of Japan, the “54th Chairman's Prize of Japan Society for the Promotion of Machine Industry” in Japan, and the “2020 Wards 10 Best Engines Award” in the United States of America, the VC-Turbo engine is highly acclaimed. The variable compression ratio technology allows the VC-Turbo engine to swiftly select the optimum compression ratio with an advanced multi-link system, seamlessly adjusting the piston’s top dead center, offering power, strong torque and efficiency on demand.

Reduction of car body weight is one of the key challenges to improving fuel economy. The Group therefore focuses on three aspects: the replacement of materials, manufacturing methods, and rationalization of body structures. In terms of materials, the Group has went ahead to expand the use of ultra-high-tensile strength steel that allows the coexistence of high strength and high formability features, and in recent years, also applying it to frame components for a wide variety of models, including minicar models such as the “NISSAN DAYZ” and “NISSAN ROOX.”

Moreover, the Group also adopted highly processable 980 MPa-class high-tensile strength steel, which can be used in various body parts in traditional manufacturing methods, for the “INFINITI QX50” in 2018. Consequently, achieving the coexistence of driving performance and reduction of car body weight, “INFINITI QX50” received favorable reviews, as proven by winning the “SAE/AISI Sydney H. Melbourne Award for Excellence in the Advancement of Automotive Steel Sheet.” Furthermore, it also contributes to lowering total costs due to a reduction in the volume of steel used and the utilization of existing production lines.

More than 20 kg of car body weight was reduced while aiming for a larger car body and enhancement in functions/operations in the new “NISSAN JUKE” model, launched in 2019, by adopting technological advancements in materials and manufacturing methods, in addition to an improvement in platforms and a highly efficient three-cylinder engine.

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

Nissan Energy is composed of the following three fields:

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

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

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

In fiscal year 2019, jointly with Nippon Telegraph and Telephone West Corp. and NTT Smile Energy, Nissan conducted a trial demonstration project on cutting energy costs and CO2 emissions of an office building by utilizing EV (vehicle to building, or V2B) and confirmed efficacy in reducing electricity bills.

Meanwhile, cooperating with 4R Energy Corporation, Nissan started trials to test operations using renewable energy stored in stationary batteries, which utilize used batteries from “NISSAN LEAF,” solar panels, and surplus electricity that no longer apply to feed-in tariff at 10 7-Eleven convenience stores in Kanagawa, Japan. In addition, Nissan also takes part in the Electrify Japan “Blue Switch” program, an activity that aims to deal with problems faced in Japan such as global warming and disaster prevention measures by utilizing EVs. As part of the activities, Nissan has concluded agreements for cooperation during natural disasters with 24 local governments and companies in Japan. The main initiative is to be carried out in the event of power outages caused by natural disasters, where “NISSAN LEAF” held by local Nissan dealers will be sent to evacuation centers and locations designated by the local government and provide power needed for daily life from power stored in “NISSAN LEAF” via power feeders. (As of March 2020)

The above activities were well received, and Nissan was awarded the “Best Resilience Award” in the business and industry category at the 6th Japan Resilience Awards 2020.

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

In Japan, the “NOTE” and “SERENA” models obtained the highest evaluation (ASV+++) under the Japan New Car Assessment Program (JNCAP). In the United States of America, the “Pathfinder,” “Murano,” “Maxima,” “Altima,” “VERSA,” “INFINITI QX50” and “INFINITI QX60” models obtained the highest evaluation (5 Star) under the United States New Car Assessment Program (US-NCAP), whereas the “Altima” and “Maxima” models were recognized as “2020 Top Safety Picks (TSP),” and “2020 Top Safety Picks+ (TSP+),” respectively, by the Insurance Institute for Highway Safety (IIHS). In Europe, the new “NISSAN JUKE” model obtained the highest evaluation (5 Star) under the European New Car Assessment Program (Euro NCAP).

Moreover, the Group promotes the adoption of the driver assistance technology that can be expected to significantly reduce the number of traffic accidents and launched the “SERENA” model with the ProPILOT technology in August 2016. Launched in September 2019, the new “Skyline” hybrid model is equipped with the ProPILOT 2.0 as a standard feature, which is the world’s first advanced driver assistance system to engage with the vehicle's navigation system to help maneuver the car according to a predefined route on multi-lane highways and allow hands-off driving while cruising in a single lane, provided that the driver’s attention is constantly in front of the vehicle and the driver can immediately take control of steering in accordance with conditions on the road, traffic, and the car itself. It was awarded the “Innovation Category Award” at the 2019-2020 Japan Car of the Year awards and the “Technology of the Year” at the Car of the Year held by the Automotive Researchers' and Journalists' Conference of Japan (RJC).

The Group is globally active in extensively adopting the ProPILOT onboard its vehicles. The system has been equipped onboard the “SERENA,” “X-Trail,” “NISSAN LEAF,” “NISSAN DAYZ” and “NISSAN ROOX” models in Japan; onboard the “Rogue,” “Rogue Sport,” “NISSAN LEAF,” “Altima” and “INFINITI QX50” in the United States of America; onboard the “NISSAN LEAF,” “Qashqai,” “X-Trail” and “NISSAN JUKE” in Europe; and onboard the “Altima” and “X-Trail” in China. Consequently, the sales volume of models with the ProPILOT onboard exceeded an aggregate total of 660 thousand units by March 31, 2020.

The Group publicly released its schedule to launch 20 vehicle models equipped with the ProPILOT in 20 markets and going well. Also expects the sales volume of car models with the ProPILOT onboard to exceed one million and five hundred thousand units annually by the end of fiscal year 2023.

Moving forward, the Group is committed to mobility services. In March 2018, a demonstrative experiment utilizing unmanned, autonomous driving vehicles for “Easy Ride,” a new traffic service under joint development with DeNA Co., Ltd., started in the Minato Mirai area in Yokohama-shi, Kanagawa for general users who applied in advance. In February 2019, another demonstrative experiment was conducted in a more pragmatic form that is closer to the actual service, expanding the target area and the number of boarding points and destinations available. In February 2020, test drives were conducted for related parties such as national government ministries, local governments, transportation businesses, and local companies.

The Group will always be actively involved in research and development activities designed to launch new and highly competitive products on the market and to pioneer advanced technologies for the future with aiming the NISSAN NEXT.

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

3. Equipment and Facilities

1. Overview of capital expenditures

The Group (the Company and its consolidated subsidiaries) invested ¥509.2 billion during this fiscal year, in particular, to accelerate the development of new products, safety and environmental technology and on efficiency improvement of the production system.

The Group also recorded ¥540.6 billion impairment loss of fixed assets for the year ended March 31, 2020. Details of the impairment loss are explained in ※5 Impairment loss (For consolidated statements of income) of 1. Consolidated Financial Statements in 5. Financial Information.

2. Major equipment and facilities

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

Notes: 1. "Other" in net book value consists of tools, furniture and fixtures and construction in progress.
2. "Number of employees" indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2020, and are not included in the number of full-time employees.

(1) The Company

(As of March 31, 2020)

Location	Address	Description	Net book value						Number of employees
			Land		Buildings & structures	Machinery & vehicles	Other	Total	
			Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Persons)
Yokohama Plant	Kanagawa-ku and Tsurumi-ku, Yokohama-shi, Kanagawa	Automobile parts production facilities	505,434	370	25,079	39,027	7,141	71,617	2,282 (823)
Oppama Plant (including the Research Center)	Yokosuka-shi, Kanagawa	Vehicle production facilities	1,844,577	29,150	33,137	19,321	7,729	89,337	2,619 (912)
Tochigi Plant	Kaminokawa-cho, Tochigi	Vehicle production facilities	2,910,646	4,287	29,481	36,194	26,069	96,031	3,785 (1,232)
Nissan Motor Kyushu Co., Ltd. (Note 1)	Kanda-machi, Fukuoka	Vehicle production facilities	2,355,196	29,849	29,285	22,713	14,695	96,542	94 (24)
Iwaki Plant	Iwaki-shi, Fukushima	Automobile parts production facilities	205,489	3,545	6,275	13,362	1,757	24,939	533 (279)
Head Office departments and other	Atsugi-shi and Isehara-shi, Kanagawa	R&D facilities	1,356,094	25,416	68,439	25,584	21,100	140,539	9,194 (899)
	Nishi-ku, Yokohama-shi, Kanagawa	Head office	10,000	6,455	18,561	545	2,543	28,104	2,129 (332)

Notes: 1. All of the vehicle production facilities are lent to Nissan Motor Kyushu Co., Ltd., to which manufacturing of the Company's products is entrusted.
2. The above table has been prepared based on the location of the equipment.
3. The figures for each plant include those at adjoining facilities for employees' social welfare, warehouses and laboratories and the related full-time employees.

(2) Domestic subsidiaries

(As of March 31, 2020)

Company	Location	Address	Description	Net book value						Number of employees (Persons)
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
JATCO Ltd	Fuji Office and other	Fuji-shi, Shizuoka, etc.	Automobile parts production facilities	1,023,808	16,051	23,518	55,656	26,507	121,732	4,747 (996)
Nissan Shatai Co., Ltd.	Shonan Plant and other	Hiratsuka-shi, Kanagawa, etc.	Vehicle production facilities	649,312	12,166	10,468	14,396	8,236	45,266	1,822 (278)
AICHI MACHINE INDUSTRY CO.,LTD.	Atsuta Plant and other	Atsuta-ku, Nagoya-shi, Aichi, etc.	Automobile parts production facilities	396,654	26,618	9,629	25,156	13,291	74,694	1,448 (366)
NISSAN NETWORK HOLDINGS COMPANY LIMITED	Head office and other	Yokohama-shi, Kanagawa, etc.	Facilities for automobile sales, etc.	3,245,843	355,188	88,069	48	1,347	444,652	41 (8)

(3) Foreign subsidiaries

(As of March 31, 2020)

Company	Location	Address	Description	Net book value						Number of employees (Persons)
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Nissan North America, Inc.	Production plant for vehicles and parts and other facilities	Smyrna, Tennessee, Canton, Mississippi, USA, etc.	Production facilities for vehicles, parts and others	26,019,144	11,761	71,123	64,193	39,059	186,136	15,704 (5)
Nissan Mexicana, S.A. de C.V.	Production plant for vehicles and parts and other facilities	Morelos, Mexico, and Aguascalientes, Mexico	Production facilities for vehicles, parts and others	6,398,359	5,536	23,088	44,551	61,262	134,437	13,537 (546)
NISSAN MOTOR IBERICA SA	Production plant for vehicles and parts	Barcelona, Madrid, Spain, etc.	Production facilities for vehicles and parts	1,109,537	893	1,179	0	0	2,072	3,860 (112)
NISSAN MOTOR MANUFACTURING (UK) LIMITED	Production plant for vehicles and parts	Sunderland, Tyne & Wear, United Kingdom	Production facilities for vehicles and parts	2,861,491	1,473	18,035	250	17,444	37,202	5,992 (793)
Renault Nissan Automotive India Private Limited	Production plant for vehicles and parts	Oragadam, Kanchipuram District, India	Production facilities for vehicles and parts	2,468,582	2,761	13,394	32,235	24,780	73,170	5,181 (0)
Nissan Motor (Thailand) Co., Ltd.	Production plant for vehicles and parts	Bangsaothong, Samutpraken, Thailand	Production facilities for vehicles and parts	998,190	2,606	7,895	2,195	5,503	18,199	4,171 (28)
Nissan Manufacturing RUS, Limited Liability Company	Production plant for vehicles and parts and other facilities	Sankt-Petersburg, Russia	Production facilities for vehicles and parts and others	1,650,603	235	6,877	0	0	7,112	2,044 (34)
NISSAN DO BRASIL AUTOMOVEIS LTDA	Production plant for vehicles and parts and other facilities	Resende, Rio de Janeiro, Brazil	Production facilities for vehicles and parts and others	2,738,167	2,395	11,497	0	814	14,706	2,325 (0)
PT. Nissan Motor Indonesia	Production plant for vehicles and parts	Kota Bukit Indah, Purwakarta, Indonesia	Production facilities for vehicles and parts	233,327	665	834	0	0	1,499	850 (9)

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

Major leased assets

Company	Location	Address	Lessor	Description	Area (m^2)	Lease Fees (Thousands of yen/month)
Nissan Motor Co., Ltd.	Information System Center	Atsugi-shi, Kanagawa	Mizuho Trust & Banking Co., Ltd.	Building	24,624	78,658

Notes: 1. Lease fees are presented exclusive of consumption tax.
2. Employees working in or with the leased assets are included in “Major equipment and facilities” above.
3. Right-of-used assets are included in net book values of the foreign subsidiaries.

Information by reportable segments

Reportable segments	Net book value						Number of employees (Persons)
	Land		Buildings & structures	Machinery & vehicles	Other	Total	
	Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Sales finance	7,839	33	2,827	2,403,015	5,758	2,411,633	3,917 (147)

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

3. Plans for new additions or disposals

(1) New additions and renovations

While we continue to evaluate the impact of the COVID-19 pandemic on our business, given this uncertainty, the details of the capital investment plan in fiscal year 2020 (From April 1, 2020 to March 31, 2021) have not yet been determined.

(2) Disposals and sales

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

4. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

1) Number of shares

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

2) Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of March 31, 2020	As of July 6, 2020 (filing date of this Securities Report)		
Common stock	4,220,715,112	4,220,715,112	First Section of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

(2) Status of the share subscription rights

1) Stock option plans
Not applicable

2) Right plans
Not applicable

3) Other share subscription rights
Not applicable

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

Not applicable

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

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

Note: Decrease due to retirement of treasury stock

(5) Details of shareholders

(As of March 31, 2020)

Classification	Status of shares (1 unit = 100 shares)								Stocks of less than a standard unit
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders (other than individuals)	Foreign shareholders (individuals only)	Individuals and other	Total	
Number of shareholders (Persons)	—	86	61	2,600	799	1,191	582,338	587,075	—
Number of shares held (Units)	—	5,411,362	251,345	766,334	27,658,046	14,412	8,098,129	42,199,628	752,312
Shareholding Ratio (%)	—	12.82	0.60	1.82	65.54	0.03	19.19	100.00	—

Note: Treasury stock of 28,434,589 shares is included in "Individuals and other" at 284,345 units, and in "Stocks of less than a standard unit" at 89 shares.

(6) Principal shareholders

(As of March 31, 2020)

Name	Address	Number of shares held (Thousands)	Number of shares (excluding treasury stock) held as a percentage of total shares issued (%)
Renault S.A. (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	13-15 QUAI ALPHONSE LE GALLO 92100 BOULOGNE BILLANCOURT, FRANCE (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	1,831,837	43.7
THE CHASE MANHATTAN BANK, N.A., LONDON SPECIAL ACCOUNT NO. 1 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (Note)	WOOLGATE HOUSE, COLEMAN STREET, LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	142,561	3.4
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	101,168	2.4
Japan Trustee Services Bank, Ltd. (Trust account 9)	1-8-11 Harumi, Chuo-ku, Tokyo	75,019	1.8
Japan Trustee Services Bank, Ltd. (Trust account)	1-8-11 Harumi, Chuo-ku, Tokyo	69,303	1.7
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	48,035	1.1
BNY GCM CLIENT ACCOUNT JPRD ISG (FE-AC) (Standing agent: MUFG Bank, Ltd.)	PETERBOROGH COURT 133 FLEET STREET LONDON EC4A 2BB UNITED KINGDOM (2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	42,136	1.0
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	EUROPEAN BANK AND BUSINESS CENTER 6, ROUTE DE TREVES, L-2633 SENNINGERBERG, LUXEMBOURG (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	34,400	0.8
JP Morgan Chase Bank 385151 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	33,851	0.8
Total	—	2,432,339	58.0

Note: Daimspain, S.L., Daimspain DT, S.L. and Daimspain DAG, S.L. substantially holds 140,142 thousand shares of the Company, with an individual distribution of Daimspain, S.L. holding 100,505 thousand shares, Daimspain DAG, S.L. holding 25,808 thousand shares and Daimspain DT, S.L. holding 13,829 thousand shares although those shares are in custody of THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO. 1 on the shareholders' register.

(7) Status of voting rights

1) Shares issued

(As of March 31, 2020)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,434,500	—	—
	(Crossholding stock) Common stock 199,200	—	—
Shares with full voting rights (Others)	Common stock 4,191,329,100	41,913,291	—
Stocks of less than a standard unit	Common stock 752,312	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,913,291	—

Note: “Stocks of less than a standard unit” include 89 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of March 31, 2020)

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

2) Treasury stock, etc.

(As of March 31, 2020)

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	28,434,500	—	28,434,500	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	50,900	88,700	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		28,582,700	51,000	28,633,700	0.68

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

2. Acquisition of treasury stock

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

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

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

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

Classification	Number of shares (Thousands)	Total amount (Millions of yen)
Treasury stock acquired during the current fiscal year	4	2
Treasury stock acquired during the period for acquisition	0	0

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2020, to the filing date of this Securities Report.

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

Classification	Current fiscal year		Period for acquisition	
	Number of shares (Thousands)	Total disposition amount (Millions of yen)	Number of shares (Thousands)	Total disposition amount (Millions of yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	—	—	—	—
Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/corporate separation	—	—	—	—
Other (Acquired treasury stock that was disposed of instead of issuing shares due to the exercise of share subscription rights)	—	—	—	—
Number of shares of treasury stock held	28,435	—	28,435	—

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2020, to the filing date of this Securities Report.

3. Dividend policy

The Company positions the return of profits to shareholders as one of the most important management policies. The return of profits to shareholders mainly consists of the distribution of dividends, and the Company aims to ensure the stable distribution of dividends while taking into account the level of cash on hand, past records and forecasts of profits and free cash flows, the required investment for the future, and other factors.
The Company's basic policy on the distribution of dividends from surplus is twice annually, that is, an interim dividend and a year-end dividend, as the Company has determined in its articles of association that the Company may distribute interim dividends as stipulated in Article 454, Paragraph 5, of the Corporate Law. The final decision-making organization is the Board of Directors for the interim dividend, and a general meeting of the shareholders for the year-end dividend.
As for the distribution of dividends from surplus for the year ended March 31, 2020, the Company's interim dividend was ¥10.0 per share and the year-end dividend was ¥0 per share. As a result, the Company's annual dividend was ¥10.0 per share.
The Company intends to apply its internal reserve to preparations for future business development and R&D costs.

Note: Dividends from surplus for which the record date belongs to the fiscal year ended March 31, 2020, are as follows:

Date of resolution	Total dividend amount (Millions of yen)	Dividend per share (Yen)
Board of Directors meeting held on November 12, 2019	39,132	10.0
Annual general meeting of the shareholders held on June 29, 2020	—	—

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

4. Corporate governance

(1) Status of corporate governance

1) Basic corporate governance policy

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

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

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

As noted in "Basic corporate governance policy" above, the Company has adopted a three statutory committee format, which can clearly separate management functions and supervisory, oversight and auditing functions, for the purpose of improving the transparency of the decision-making process and of conducting speedy and agile business execution.
First, the Company's Board of Directors, led by the Independent Outside Directors, shall decide the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the Directors and Executive Directors. The number of Directors is a number appropriate to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in meetings of the Board of Directors are led by the Independent Outside Directors, a majority of the Directors is Independent Outside Directors and the Board Chair is also an Independent Outside Director.
The Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors and, in order to carry out effective and flexible management, as a general rule, the Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to Executive Officers.
The Board of Directors currently consists of twelve (12) Directors, whose names are listed in 4. Corporate governance (2) Members of the Board of Directors and Statutory Auditors. Of the 12 Directors, seven (7) are Outside Directors: Yasushi Kimura, Masakazu Toyoda, Keiko Ihara, Motoo Nagai, Bernard Delmas, Andrew House and Jenifer Rogers. The Board of Directors has appointed Yasushi Kimura as the Board Chair and Jean-Dominique Senard as the Vice Board Chair. Masakazu Toyoda is acting as the lead Independent Outside Director.

Second, the Company has three (3) statutory committees.

i) Nomination Committee

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

ii) Compensation Committee

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

iii) Audit Committee

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

In addition, the Audit Committee has the authority to audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis. As a part of audits of business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for the Company and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the President and Chief Executive Officer periodically and exchanges opinions in various areas. Further, the Chair attends important meetings etc. to state his opinions, reviews internal approval documents and other important documents, and, when necessary, requests explanations or reports from Executive Officers, Corporate Officers and employees. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditor in an appropriate manner, making efforts to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out in their respective audits and the status of their remediation in a timely manner. Further, the Audit Committee supervises the internal audit department, periodically receives reports from them on the progress and results of its internal audit activities conducted in accordance with their internal audit plan and, as necessary, gives them instructions regarding internal audit.

In addition, the Audit Committee is the contact point for receiving whistleblowers' reports regarding allegations that involve management members such as executive officers, and establishes a system under which the Audit Committee can respond to such reports while preventing such executive officers and other management members from identifying the whistleblower or knowing the contents of such reports.

The Audit Committee consists of five (5) Directors, Motoo Nagai (the chair): Masakazu Toyoda, Yasushi Kimura, Jenifer Rogers, and Pierre Fleuriot.

Finally, Executive Officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and executes the business of the Company group.

Currently, eight (8) Executive Officers, of which two (2) are Representative Executive Officers, are appointed as described in (2) Members of the Board of Directors and Statutory Auditors.

Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to Corporate Officers and employees.

3) Status of the Company's internal control systems

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

i) Systems to ensure efficient and management of business activities by the Executive Officers

a. The Company choses to be a company with three statutory committees as its legal organizational structure and its Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors.

b. The Company's Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to its Executive Officers, in order to carry out effective and flexible management.

c. The Company uses a proven system of an Executive Committee, in which Executive Officer President and Chief Executive Officer is a chair, where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.

d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.

e. In order to promote cross functional activities, cross functional teams - CFTs - are organized. CFTs detect problems and challenge and propose solutions to line organizations.

f. The Company implements an objective and transparent Delegation of Authority procedure which establishes the authority and responsibility of each Executive Officer and employee, for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.

g. The Company ensures the efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.

ii) Systems to ensure compliance of Executive Officers' and employees' activities with Laws and articles of association

a. The Company implements the "Global Code of Conduct," which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.

b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.

c. With regard to members of the Board of Directors as well as Executive Officers, etc. of the Company, the Company shall establish "Guidance for Directors, Executive Officers, etc.," which explains the acceptable behaviors of the members of the Board of Directors and Executive Officers.

d. The Company stands firm and take appropriate actions against anti-social forces or groups. If any Director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.

e. All Directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee, and shall follow their instructions.

f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee. The compliance topics detected by the Global Compliance Committee, which are related to Executive Officers of the Global Head Quarters and the chair of the Management Committee are directly reported to the Audit Committee.

g. The Company implements a hotline system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management. The Company has established the system where, as for the matters with doubt of involvement of the management such as Executive Officers, etc., related Executive Officers, etc. do not be able to gain knowledge of the whistleblower or the detail of the report by making the Audit Committee the body to report to.

h. The Company is committed to continually implementing relevant company rules. The Company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.

i. The Company is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Law together with its related rules and standards. This is accomplished through adherence to J-SOX testing, review, and reporting protocols (required under the Financial Instruments and Exchange Law). The Company designs and effectively operates processes. Further the Company addresses identified accounting and internal control findings.

j. The Board of Directors appoints Outside Directors that has independency (Independent Outside Director) for the majority of its members and for its chair and shall focus on supervising the status of execution of duties by Executive Officers by taking a number of measures such as periodically receive reports from Executive Officers, periodically hold meetings only with the Independent Outside Directors, establish a lead Independent Outside Director, enhance the secretariat's personnel and function, and secure independency and further, shall receive assessment from a third party evaluation organization in respect to its functionality once every three years.

k. The Audit Committee appoints Independent Outside Director for a majority of its member and as its chair and also appoint adequately qualified and able Director and shall perform audit of Executive Officers' status of business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.

l. The Company shall establish a department under the Audit Committee specialized in internal audit for the purpose of regularly auditing group companies' business and their observance of processes, policies, laws, and other matters as appropriate. Regional internal audit departments have been established to perform internal audits under the supervision of Nissan's global internal audit department.

m. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee.

n. Considering the possibilities of conflict of interest between Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION, which is one of the other parties of the Alliance, and the Company, Representative Executive Officer must not concurrently serve as a Director, Executive Officer, or any other officer or other positions of Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION and the subsidiaries and affiliates thereof. If an Executive Officer concurrently serves in such position upon assuming the office of Representative Executive Officer of the Company, he/she and the Company shall promptly take necessary measures to leave such position at the other company.

o. If a Director has held the position of Director, Executive Officer or other positions with a title at Renault, other shareholders or MITSUBISHI MOTORS CORPORATION or its subsidiaries and affiliates thereof, such Director shall not participate in the deliberation and resolution of an agenda raised at the Company's meeting of Board of Directors that may cause a conflict of interest between the company in which the Director has held a position and the Company.

p. The Company's activities relating to the Nissan-Renault- Mitsubishi Motors Alliance, including operational functions under common-management, are subject to direction, supervision and oversight by the company's Board of Directors, Executive Committee and relevant Executive Officers, etc. Decision-making occurs by the Company's Board of Directors, Executive Officers or employees in accordance with the Company's Delegation of Authority, and as otherwise necessary to comply with legal and regulatory requirements and also in consideration of the possibility of conflict of interest between the Company and Renault or the Company and Mitsubishi Motors.

q. Upon newly establishing or changing the organization internally, the Company shall not adopt a structure where the authority is divided in a way which may possibly inhibit the check function of the legal, accounting, financial and other managerial departments.

iii) Rules and systems for proper management of risk and loss

a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."

b. Management of material company-wide risks is assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing relevant risk management manual.

c. Concerning the management of other specific business risks beyond those supervised directly by the Risk Management Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.

d. The internal audit department of the Company on behalf of the Audit Committee shall conduct auditing activities pursuant to the relevant audit standards in order to provide assurance on the state of internal controls pursuant to a risk based methodology and consulting when appropriate.

iv) Systems to ensure accurate records and the retention of information of Executive Officers' execution of business

a. The Company preserves and appropriately manages the documents and other information relating to Executive Officers' execution of business.

b. Results of all corporate decisions made by various divisions and department pursuant to Delegation of Authority are preserved and retained either electronically or in writing.

c. While the departments in charge are responsible for proper and strict retention and management of such information, , in particular, for materials related to important management councils, Directors and Executive Officers and other employees of the Company have access to any records within a reasonable range as required for the purpose of performing their business activities.

d. The Company has enacted a policy about the creation, use, management of information to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has established an Information Security Committee, which is engaged in overall management of information security in the Company and makes decisions on information security matters.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1) List of executives

13 males, 3 females (female ratio of 19%), 8 Japanese, 8 Foreigners.

a. Directors

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Chair, Member of Nomination Committee, Member of Audit Committee	Yasushi Kimura	February 28, 1948	1970	April	Joined Nippon Oil Corporation	One year from June 2020	2
			2002	June	Director of Nippon Oil Corporation		
			2007	June	Director, Senior Vice President of Nippon Oil Corporation		
			2010	April	Director of JX Holdings, Inc.		
			2010	July	President of JX Nippon Oil & Energy Corporation		
			2012	May	Chairman of Petroleum Association of Japan		
			2012	June	Chairman of the Board of JX Holdings, Inc.		
					Chairman of the Board of JX Nippon Oil & Energy Corporation		
			2014	June	Director of NIPPO Corporation		
					Vice Chairman of Japan Business Federation		
			2017	April	Chairman of JXTG Holdings, Inc.		
			2018	June	Senior Executive Advisor of JXTG Holdings, Inc.		
			2019	June	Senior Corporate Advisor of JXTG Holdings, Inc. (Current position)		
					Director of the Company (Current position)		
					Outside Director of INPEX CORPORATION (Current position)		
Director, Vice-chair, Member of Nomination Committee	Jean-Dominique Senard	March 7, 1953	1996	October	Chief Financial Officer of Pechiney and a member of its Group Executive Council	One year from June 2020	21
			2005	March	Chief Financial Officer of Michelin and a member of the Michelin Group Executive Council		
			2007	May	Managing Partner of the Michelin Group		
			2011	May	Managing General Partner of the Michelin Group		
			2012	May	Chief Executive Officer of the Michelin Group		
			2019	January	Chairman of the Board of Directors of Renault (Current position)		
			2019	April	Director of the Company (Current position)		
Director, Chair of Nomination Committee, Member of Audit Committee	Masakazu Toyoda	June 28, 1949	1973	April	Joined Ministry of International Trade and Industry	One year from June 2020	3
			2003	August	Director-General, Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry (METI)		
			2006	July	Director-General, Trade Policy Bureau, METI		
			2007	July	Vice-Minister for International Affairs, METI		
			2008	August	Secretary-General, The Cabinet Secretariat's Strategic Headquarters for Space Policy		
			2008	November	Special Advisor to the Cabinet		
			2010	July	Chairman & CEO, Institute of Energy Economics, Japan (Current position)		
			2011	June	Outside Statutory Auditor of Nitto Denko Corporation (Current position)		
			2015	March	Outside Director of CANON ELECTRONICS INC. (Current position)		
			2018	June	Director of the Company (Current position)		
Director, Chair of Compensation Committee, Member of Nomination Committee	Keiko Ihara	July 4, 1973	2013	January	Fédération Internationale de l'Automobile (FIA) Asian representative for the Women in Motorsports Commission and female representative for the FIA Drivers Commission	One year from June 2020	7
			2013	April	Special Guest Associate Professor at Keio University Graduate School of Media Design		
			2015	April	Member of Industrial Structure Council (Development Committee for 2020 and Beyond), Japan Ministry of Economy, Trade and Industry		
			2015	July	Member of Japan House Advisory Board, Japan Ministry of Foreign Affairs		
			2015	September	Guest Associate Professor at Keio University Graduate School of Media Design		
			2016	June	Outside Director of SOFT99 corporation (Current position)		
			2018	June	Director of the Company (Current position)		
			2020	April	Project Professor at Keio University Graduate School of Media Design (Current position)		

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Chair of Audit Committee, Member of Nomination Committee, Member of Compensation Committee	Motoo Nagai	March 4, 1954	1977 2005 2007 2011 2011 2014 2015 2019	April April April April June June June June	Joined The Industrial Bank of Japan, Limited Corporate Officer of Mizuho Corporate Bank, Ltd. Managing Executive Officer of Mizuho Corporate Bank, Ltd. Deputy President (Executive Officer) of Mizuho Trust & Banking Co., Ltd. Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd. Statutory Auditor of the Company Outside Audit & Supervisory Board Member of ORGANO CORPORATION Outside Director of ORGANO CORPORATION (Current position) Outside Audit & Supervisory Board Member of Nisshin Seifun Group Inc. Outside Director of Nisshin Seifun Group Inc. (Current position) Director of the Company (Current position)	One year from June 2020	14
Director, Member of Compensation Committee	Bernard Delmas	April 21, 1954	1979 1995 2007 2009 2015 2015 2016 2018 2019	May September September October June November November February June	Joined Michelin President of Michelin Research Asia President and CEO of Nihon Michelin Tire Co. Ltd. President and CEO of Michelin Korea Tire Co. Senior Vice President of Michelin Group Outside Director of Ichikoh Industries, Ltd. Chairman of the Board of Nihon Michelin Tire Co. Ltd. Chairman of Nihon Michelin Tire Co. Ltd. Senior Advisor of Michelin Group (Current position) Director of the Company (Current position)	One year from June 2020	2
Director, Member of Nomination Committee	Andrew House	January 23, 1965	1990 2005 2011 2016 2017 2018 2018 2019	October October September April October April October June	Joined Sony Corporation Group Executive and Chief Marketing Officer of Sony Corporation Group Executive, President and Global CEO of Sony Computer Entertainment EVP, President and Global CEO of Sony Interactive Entertainment EVP and Chairman of Sony Interactive Entertainment Strategic Advisor of Intelity (Current position) Executive Mentor of Merryck & Co., Ltd. (Current position) Director of the Company (Current position)	One year from June 2020	—
Director, Member of Compensation Committee, Member of Audit Committee	Jenifer Rogers	June 22, 1963	1989 1990 1991 1994 2000 2006 2012 2015 2018 2019	September December February December November July November June June June	Joined Haight Gardner Poor & Havens Registered as Attorney at Law admitted in New York Joined The Industrial Bank of Japan, Limited Joined Merrill Lynch Japan Securities Co., Ltd. Merrill Lynch Europe Plc Bank of America Merrill Lynch (Hong Kong) General Counsel Asia of Asurion Japan Holdings G.K. (Current position) Outside Director of Mitsui & Co., Ltd. (Current position) Outside Director of Kawasaki Heavy Industries, Ltd. (Current position) Director of the Company (Current position)	One year from June 2020	3

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Director, Member of Audit Committee	Pierre Fleuriot	January 31, 1954	1981 June 1985 September 1991 January 1997 September 2009 November 2016 April 2018 June 2020 February	Financial auditor of Inspecteur des finances Advisor to the chairman and head of market research of the French market authority of Commission des Opérations de Bourse General Manager of the French market authority of Commission des Opérations de Bours ABN AMRO France Chief Executive Officer of Credit Suisse France Chairman of PCF Conseil & Investissement (France) (Current Position) Lead Independent Director of Renault (Current Position) Director of the Company (Current position)	One year from June 2020	—
Director	Makoto Uchida	July 20, 1966	1991 April 2003 October 2014 April 2016 November 2018 April 2019 December 2020 February	Joined Nissho Iwai Corporation Joined the Company Program Director of the Company Corporate Vice President of the Company Senior Vice President of the Company Director of Dongfeng Motor Co., Ltd. (Current position) President of Dongfeng Motor Co., Ltd. Representative Executive Officer, President and Chief Executive Officer of the Company (Current position) Director of the Company (Current position)	One year from June 2020	12
Director	Ashwani Gupta	September 15, 1970	2006 April 2008 May 2009 September 2011 May 2014 April 2017 April 2018 April 2019 April 2019 June 2019 December 2020 February	Joined Renault GM of Renault India Global Supplier Account Manager of Renault-Nissan Purchasing Organization Deputy General Manager of Renault-Nissan B.V. Global Program Director of the Company VP of Renault Alliance SVP of Renault-Nissan Alliance SVP of Renault-Nissan-Mitsubishi COO of MITSUBISHI MOTORS CORPORATION Representative Executive Officer, COO of MITSUBISHI MOTORS CORPORATION Representative Executive Officer, Chief Operating Officer / Chief Performance Officer of the Company (Current position) Director of Dongfeng Motor Co., Ltd. (Current position) Director of the Company (Current position)	One year from June 2020	—
Director	Hideyuki Sakamoto	April 15, 1956	1980 April 2005 April 2008 April 2012 April 2014 April 2014 June 2018 August 2018 September 2019 June 2020 February	Joined the Company Chief Vehicle Engineer of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Director, Executive Vice President of the Company Chairman of AICHI MACHINE INDUSTRY CO.,LTD. (Current position) Chairman of JATCO Ltd (Current position) Executive Officer, Executive Vice President of the Company (Current position) Outside Director, MITSUBISHI MOTORS CORPORATION (Current position) Director of the Company (Current position)	One year from June 2020	45
Total						109

Notes: 1. As a resolution on the amendments to the Articles of Incorporation was adopted by the annual general meeting of the shareholders held on June 25, 2019, the Company has adopted a three statutory committee format on the same date.

2. While Yasushi Kimura, Masakazu Toyoda, Keiko Ihara, Motoo Nagai, Bernard Delmas, Andrew House and Jenifer Rogers are Independent Outside Directors of the Company, Masakazu Toyoda, Director is the Lead Independent Outside Director.

3. The term of office of the Directors shall be from the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ended March 31, 2020, to the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2021.

b. Executive Officers

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Representative Executive Officer, President and Chief Executive Officer	Makoto Uchida	July 20, 1966	*Please see a. Directors		One year from June 2020	12
Representative Executive Officer, Chief Operating Officer / Chief Performance Officer	Ashwani Gupta	September 15, 1970	*Please see a. Directors		One year from June 2020	—
Executive Officer, Chief Quality Officer / Vice-Chief Performance Officer	Christian Vandenhende	August 30, 1961	1985 November	Engineer of Saint Gobain- Glass Fiber	One year from June 2020	—
			1999 October	GM of Renault		
			2003 September	VP of Renault		
			2009 March	SVP of Renault, Chairman and Managing Director of RNPO (Renault-Nissan Purchasing Organization)		
			2015 January	EVP of Renault		
			2018 April	CQO, Executive Vice President of the Company		
			2019 May	Vice-COO / CQO of the Company		
			2019 June	Executive Officer, Vice-COO / CQO of the Company		
			2019 December	Executive Officer, CQO / Vice-CPO of the Company (Current position)		
Executive Officer, Chief Financial Officer	Stephen Ma	November 6, 1970	1996 June	Joined Nissan North America, Inc.	One year from June 2020	54
			2003 June	General Manager of Dongfeng Motor Co., Ltd.		
			2006 December	Senior Manager of the Company		
			2012 April	CFO of Dongfeng Motor Co., Ltd.		
			2018 September	Corporate Vice President of the Company		
			2019 December	Executive Officer, Chief Financial Officer of the Company (Current position)		
Executive Officer, Executive Vice President	Hideyuki Sakamoto	April 15, 1956	*Please see a. Directors		One year from June 2020	45
Executive Officer, Executive Vice President	Asako Hoshino	June 6, 1960	1983 April	Joined Nippon Credit Bank, Co., Ltd.	One year from June 2020	51
			1989 August	Senior Consultant of Marketing Intelligence Corporation		
			2001 April	Executive Director and Chief Marketing Officer of INTAGE Inc. (former Marketing Intelligence Corporation)		
			2002 April	Vice President of the Company		
			2006 April	Corporate Officer of the Company		
			2014 April	Corporate Vice President of the Company		
			2015 April	Senior Vice President of the Company		
			2019 May	Executive Vice President of the Company		
			2019 June	Executive Officer, Executive Vice President of the Company (Current position)		
			2019 August	Director of Dongfeng Motor Co., Ltd. (Current position)		

Executive Officer, Executive Vice President	Kunio Nakaguro	September 23, 1963	1987 April 2008 April 2009 April 2013 April 2014 February 2014 April 2018 April 2019 May 2019 June	Joined the Company General Manager of the Company SVP of Nissan International SA Corporate Officer of the Company SVP of Nissan North America, Inc. Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position)	One year from June 2020	—
Total						162

Notes: 1. The term of office of the Executive Officers shall be from the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ended March 31, 2020, to the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2021.

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

The number of Executive Officers and Corporate Officers is 49, consisting of 30 Japanese and 19 foreigners, 47 men and 2 women (female ratio of 4% of the Executive Officers and Corporate Officers), and including the 7 Executive Officers listed above Makoto Uchida, Ashwani Gupta, Christian Vandenhende, Stephen Ma, Hideyuki Sakamoto, Asako Hoshino and Kunio Nakaguro. The 42 other members are as follows: Tsuyoshi Yamaguchi (Executive Vice President); Takao Asami, Takashi Hata, Rakesh Kochhar, Hari Nada, Noboru Tateishi, Alfonso Albaisa, Peyman Kargar, Gianluca De Ficchy, Atul Pasricha, Yusuke Takahashi, Kent O'Hara, Seiji Honda, Roel De Vries, Leon Dorssers, Ivan Espinosa, Joji Tagawa, Shohei Yamazaki, Guillaume Cartier and Hideaki Watanabe (Senior Vice Presidents); Mitsuro Antoku, Toshihiro Hirai, Akihiro Otomo, Kinichi Tanuma, Yukio Ito, Catherine Perez, Jose Roman, Carlos Servin, Eiichi Akashi, Teiji Hirata, Mark Stout, Kazuhiko Murata, Takeshi Yamaguchi, Sadayuki Hamaguchi, Hiroki Hasegawa, Takahiko Ikushima, Tsuyoshi Tatsumi, Mike Colleran, Toru Ihara, Hitoshi Mano, Yasunobu Matoba and Tamotsu Yamada (Corporate Vice Presidents), and Haruyoshi Kumura and Shunichi Toyomasu as Fellows.

2) Status of Outside Directors

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

The Company appointed each Outside Director in accordance with the reasons described below.

Outside Director Yasushi Kimura has experience serving in top management roles in a key industry in Japan. He also has deep insight and a wealth of experience in corporate management, as well as leadership experience from his tenure at the Japan Business Federation (Keidanren) and in the capacity as Chairman of the Petroleum Association of Japan (PAJ). He served as the Board Chair and a member of the Nomination Committee and the Audit Committee during his previous term. The Company appointed Yasushi Kimura as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Masakazu Toyoda has held prominent positions, including Vice-Minister for International Affairs of METI, and Special Advisor to the Cabinet Secretariat. He has extensive experience in economics, international trade, energy, and environment. He served as the lead Independent Outside Director, the chair of the Nomination Committee and a member of the Audit Committee during his previous term. The Company appointed Masakazu Toyoda as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Keiko Ihara is an international racing driver, and has abundant experience and deep insight in the auto industry gained through her engagement for many years in technology development with automakers overseas and in Japan and popularization of eco-friendly cars as well as engagement in MaaS research at a university research institution. She also has broad experience at international organizations, leading governance of organizations and human resource development. She served as the chair of the Compensation Committee and a member of the Nomination Committee during her previous term. The Company appointed Keiko Ihara as Outside Director on the basis that she is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Motoo Nagai has strong experience and insight in risk management gained through executive leadership positions that he held at institutions including Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) and Mizuho Trust & Banking Co., Ltd. He also has abundant experience in the Company as full-time Statutory Auditor since 2014. He served as the chair of the Audit Committee and a member of the Nomination Committee and the Compensation Committee during his previous term. The Company appointed Motoo Nagai as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Bernard Delmas has international experience in the automotive industry. He has strong experience and insight in R&D, business planning, and cross-functional team management. He served as a member of the Compensation Committee during his previous term. The Company appointed Bernard Delmas as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.

Outside Director Andrew House has international business management experience, as well as strong experience and insight in customer needs in consumer products and emerging technologies through key roles in global companies. Having worked both inside and outside of Japan, he has an excellent cross-cultural perspective. He served as a member of the Nomination Committee during his previous term. The Company appointed Andrew House as Outside Director on the basis that he is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.
Outside Director Jenifer Rogers has ample experience and insight in legal affairs, compliance and risk management. She comes with solid board experience as a director at globally-operating Japanese corporations, and experience as an in-house lawyer and head of a range of legal functions at international financial institutions. She served as a member of the Compensation Committee and the Audit Committee during her previous term. The Company appointed Jenifer Rogers as Outside Director on the basis that she is qualified to fulfill the duties of Outside Director for the Company for the reasons stated above.

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

- Nissan Motor Company Director Independence Standards -

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

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

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

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

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

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

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

(3) Status of Audit

1) Audits by the Audit Committee

The Chair of the Audit Committee is an independent outside director, and four (4) out of five (5) members are independent outside directors. Mr. Motoo Nagai, Chair of the Audit Committee, and Ms. Jenifer Rogers and Mr. Pierre Fleuriot, both members of the Audit Committee, have years of experience of working for financial institutions, and thus have extensive knowledge of finance, accounting and risk management. Mr. Yasushi Kimura, a member of the Audit Committee, has years of experience of working in enterprise management, and thus has extensive knowledge of finance and accounting.

As part of audits of business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers and employees on their business execution for the Company and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary.

Further, the Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditor in an appropriate manner, making efforts to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out in their respective audits and the status of their remediation in a timely manner. The Audit Committee also supervises the internal audit department, periodically receives reports from it on the progress and results of its internal audit activities conducted in accordance with its internal audit plan and, as necessary, gives it instructions regarding internal audits.

In addition, the Audit Committee is the contact point for receiving whistleblowers' reports regarding allegations that involve management members such as executive officers, and establishes a system under which the Audit Committee can respond to such reports while preventing such executive officers and other management members from identifying the whistleblower or knowing the contents of such reports.

The Audit Committee held 10 meetings during this fiscal year, and the status of attendance of each member is as follows:

Position	Name	Attendance
Chair	Motoo Nagai	10 out of 10 (100%)
Member	Yasushi Kimura	10 out of 10 (100%)
Member	Masakazu Toyoda	10 out of 10 (100%)
Member	Jenifer Rogers	10 out of 10 (100%)
Member	*Thierry Bolloré	4 out of 4 (100%)
Member	** Pierre Fleuriot	1 out of 1 (100%)

*Mr. Thierry Bolloré resigned as a member on November 11, 2019.
** Mr. Pierre Fleuriot was elected as a member on February 18, 2020.

The major agenda items of the Audit Committee during this fiscal year were as follows:

- Establishment of organization and rules to operate the Audit Committee
- Implementation of appropriate measures to seek responsibility for serious misconduct by the former chairman and others and to recover damages for such misconduct, and the filing of a lawsuit against former chairman to claim damages
- Appropriateness of the audit plan prepared by the independent auditor, and of the methods and results of the independent audit
- Appropriateness of the audit plan prepared by the internal audit department, the methods and results of the internal audit, and the appointment of the head of the internal audit department
- Countermeasures in response to compliance issues involving management

Full-time Audit Committee members play a leading role in the internal audit and in collaborating with the independent auditor, and make efforts to enhance the audit/monitoring function of the Audit Committee by establishing a system in which they can efficiently collect and understand information in a timely and appropriate manner through periodic meetings with executive officers such as the President/CEO and attendance at important internal meetings, and share information with other Audit Committee members for discussion and decision-making. Other than the above, the major activities of the full-time Audit Committee members during this fiscal year were as follows:

- Taking legal measures for misconduct of the former chairman
- Monitoring the operation status of the internal control system
- Receiving reports from the independent auditor and the accounting department
- Receiving reports from the internal audit department
- Handling whistleblowing cases and compliance issues
- Audit visits to manufacturing plants and major domestic and overseas subsidiaries
- Information exchange and meetings with group companies for the purpose of enhancing their governance

The following Statutory Auditors retired during the fiscal year (Fiscal Year 2019) as the result of the transition to a company with three statutory committees from a company with a Board of Statutory Auditors at the general shareholders meeting on June 25, 2019. The attendance of each Statutory Auditor at the Board of Statutory Auditors meetings from the beginning of this fiscal year to June 25, 2019, is as follows:

Position	Name	Attendance
Statutory Auditor (Full Time)	Hidetoshi Imazu	7 out of 7 (100%)
Statutory Auditor (Full Time)	Motoo Nagai	7 out of 7 (100%)
Statutory Auditor (Full Time)	Tetsunobu Ikeda	7 out of 7 (100%)
Statutory Auditor	Shigetoshi Andoh	7 out of 7 (100%)

2) Internal audits

The Company has the global internal audit function (22 persons at the Company, approximately 100 persons globally), as an independent group to conduct internal audits, under the Audit Committee. While the internal audit section of each regional headquarters is responsible for internal audit in each region, global professional teams have been set up for the fields of sales finance and IT to conduct internal audits in these fields across the regions. Under the control of the Chief Internal Audit Officer, all audits are carried out efficiently and consistently on a global basis.

Internal audits are conducted based on the audit plans approved by the Audit Committee. The audit results are regularly reported to the Audit Committee, and the Audit Committee gives directions regarding internal audits when necessary. In addition, the audit results are reported to the relevant departments as well as executive/corporate officers in a timely manner.

3) Audits of financial statements

a. Name of auditing firm

Ernst & Young ShinNihon LLC

b. Audit Duration

68 years (Since 2008 for overseas consolidated affiliates)

c. Certified Public Accountants engaged in the financial statements audit

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

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

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

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

d. Composition of assistants involved in the audit

Assistants to the audit of the financial statements consisted of 35 Certified Public Accountants and 58 others, including successful applicants who have passed the Certified Public Accountants examination and system specialists.

e. Policy and reasons for appointing the Independent Auditor

(Policy for appointing the Independent Auditor)

The Company appoints an independent auditor by examining each audit firm’s corporate summary, the independence of its audit team, its expertise, quality management system, capability to cover the Company’s global business operation and communication with the Company, etc. in accordance with the “Policy for decision on dismissal or non-reappointment of the independent auditor” approved by the Audit Committee.

(Policy for decisions on dismissal or non-reappointment of the Independent Auditor)

① Policy for decision on dismissal

- The Audit Committee will dismiss the independent auditor with the unanimous consent of all of its members when any of the items in Article 340, Paragraph 1 of the Companies Act are found to apply to the independent auditor and the Audit Committee deems it necessary to dismiss it promptly. In such case, the members of the Audit Committee appointed by the Audit Committee will report such dismissal and reasons therefor at the first general shareholders meeting called after such dismissal.
- The Audit Committee determines the content of a proposal for the dismissal of the independent auditor which is submitted to the general shareholders meeting when it is expected that the implementation of appropriate audits by the independent auditor will be materially obstructed, such as when any of the items in Article 340, Paragraph 1 of the Companies Act are found to apply to the independent auditor.

② Policy for decision on non-reappointment

The Audit Committee determines the content of a proposal for the non-reappointment of the independent auditor which is submitted to a general shareholders meeting when the Audit Committee, after confirming the independent auditor's performance of duties, decides that it is reasonable to appoint a different independent auditor this is more capable in terms of independence, expertise, quality management system and audit capability to cover the Company's global business operations.

f. Evaluation of the Independent Auditor by the Audit Committee

The Audit Committee conducts the evaluations of the independent auditor in accordance with the "Policy for decision on dismissal or non-reappointment of the independent auditor" and the criteria for decision on dismissal or non-reappointment, etc. The Audit Committee has decided to reappoint the current auditing firm, Ernst & Young ShinNihon LLC, as its independent auditor as the result of the evaluation of and discussion on its audit activities and in view of its independence, expertise, quality management system, capabilities and skills/knowledge to cover the global business operations of the Company, communication with the Company, etc.

4) Content of the audit fee

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

(Millions of yen)

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation	Remuneration to be paid for non-audit services	Remuneration to be paid for auditing and attestation	Remuneration to be paid for non-audit services
The Company	614	24	578	26
Consolidated subsidiaries	250	18	237	11
Total	864	42	815	37

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

Consolidated subsidiaries pay remuneration for non-audit services provided by the Certified Public Accountants regarding the advisory services for the design and operation of internal control and so forth.

b. Content of the remuneration to the Ernst & Young network, of which the auditing firm is a group member (excluding the amount presented in item a. above)

(Millions of yen)

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation	Remuneration to be paid for non-audit services	Remuneration to be paid for auditing and attestation	Remuneration to be paid for non-audit services
The Company	-	-	-	24
Consolidated subsidiaries	1,855	568	1,986	540
Total	1,855	568	1,986	564

The Company pays remuneration for non-audit services provided by the Ernst & Young network regarding the advisory services for transfer price taxation and so forth.

Consolidated subsidiaries pay remuneration for non-audit services by the Ernst & Young network regarding the preparation of comfort letters for the issuance of bonds and so forth.

c. Content of other important remuneration

Not applicable.

d. Policy on determining the audit fee

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

e. Reasons why the Board of Statutory Auditors has consented to remuneration for the Independent Auditor

The reasons why the Board of Statutory Auditors of the Company has given consent, pursuant to Article 399, Paragraph 1 of the Corporate Law, to remuneration for the independent auditor are as follows: The Board of Statutory Auditors determined that the remuneration to the independent auditor is appropriate as a result of its detailed examination of the content of the audit plan, the status of duties performed by the independent auditor in the prior fiscal year, the grounds for calculating the estimate of remuneration and so forth, with reference to the necessary data and materials obtained and/or reported from internal divisions/departments involved and the independent auditor. The reasons for the consent above have been confirmed by the Audit Committee after the transition to a company with three statutory committees.

(4) Executive Compensation

<Outline and Activities of Compensation Committee>

The Company adopted a company with three statutory committee format at the close of the Ordinary General Meeting of Shareholders held on June 25, 2019. All four members (including the chair) of the Compensation Committee are Independent Outside Directors. The Compensation Committee has the statutory authority to determine (a) the policy for determining the contents of individual compensation of the Company's directors and executive officers and (b) contents of individual compensation for directors and executive officers.

In FY2019, the Compensation Committee held a total of 13 meetings, and the attendance rate of the all members was 100%.

The Compensation Committee's activities during FY2019 include, among others, the following:

- Determining a policy for the compensation for directors and executive officers;
- Selecting benchmark corporations for determining compensation levels, and discussion regarding compensation levels based on the results of surveys conducted by an external compensation consultant;
- Determining the aggregate and individual amounts of director and executive officer compensation for FY2019;
- Establishing a policy regarding determination of compensation that will be paid to retiring executive officers upon their retirement, and determining the amount of such compensation; and
- Resolving to abolish share appreciation rights beginning FY2020, and considering a new incentive compensation program.

The Company has strengthened governance with respect to executive compensation through the Compensation Committee's establishment of a new compensation policy and internal regulations and discussion in a transparent manner. Below are key points that the Compensation Committee took into consideration when discussing executive compensation during FY2019:

- Determination by the Compensation Committee shall be fair, consistent, and contributing to the Company's policies and rules implemented to strengthen corporate governance and transparency;
- The Compensation Committee will need to appropriately consider the business environment of the Company and the Company's competitors worldwide when it determines executive compensation; and
- It is important to have a clear policy regarding compensation that will be paid to retiring executives and ensure that the Compensation Committee will take the business environment of the Company into consideration in making decisions.

< Policy Pertaining to Determination of Amounts of Executive Compensation and Calculation Methodology Therefor>

(i) Method for Determination of the Policy

The Compensation Committee will determine a policy for the elements of individual compensation of the Company's directors and executive officers as provided under the Corporate Law.

(ii) Basic Policy

The Company's basic policy is that its executive compensation will need to be structured to motivate the Company's executives to maximize value for our stakeholders, such as our customers, shareholders, local communities where the Company has operations, and our employees. Based on such policy, the Compensation Committee will determine executive compensation in accordance with the following principles:

- Governance and Oversight Responsibility
  The Company seeks to further strengthen its corporate governance, compliance and corporate ethics. In that regard, the Company will appropriately monitor the compensation program to ensure operation that is both efficient and compliant with policies.
- Fairness and Transparency
  Our compensation programs shall be equitable and consistently applied, regardless of race, gender, nationality or attribution of relevant individuals. The system for performance evaluation and compensation shall be open, transparent and designed to treat individuals fairly.
- Value-Creation and Accountability
  The compensation program shall foster performance and actions that create long-term value for our stakeholders, such as our customers, shareholders, local communities where the Company has operations, and our employees.
- Competitiveness
  The Company will offer competitive compensation as compared to those offered by automotive companies and large global companies with whom we compete with for talent.
- Operational Effectiveness
  An effective compensation program is one that is appropriately operated, easy for directors and executive officers to understand, cost efficient, and capable of being implemented globally.
- Innovation and Adaptability
  The Company operates its business globally in an environment where technologies and life have been changing dramatically. To that end, the Company continuously adapts its compensation programs to the diversity of the human resource market and business environment.

<Contents of Compensation>

1) Elements of Consideration for Compensation Levels

In considering compensation levels, the Company refers to the results of the benchmarking of not only major automotive companies but also other global corporations with revenue and business complexity that is similar to that of the Company.

2) Composition of Compensation

i) Directors

The compensation paid to the Company's Directors consisted only of (1) a basic compensation and (2) a fixed compensation (which is the sum of remuneration for attendance at committee meetings, remuneration received as the chair of a committee, remuneration received as the lead Outside Director, etc., according to each Director's role). No performance-linked compensation, such as annual bonus or share appreciation rights, shall be granted to any Director who does not concurrently serve as executive officer. No remuneration received as a Director shall be paid to any Director who concurrently serves as executive officer.

ii) Executive Officers

The compensation paid to the Company's executive officers consisted of (1) a fixed basic compensation and (2) an annual bonus and a performance-linked incentives, which are variable compensation. In addition, those executive officers who are seconded from the Company's affiliates outside Japan are entitled to certain allowance for overseas secondment under the Company's policy.

(a) Basic Compensation

The basic compensation is determined by each Director's skills, experiences and responsibilities at the Company, and the Company's performance, as well as with reference to the results of the benchmarking of compensation of other global corporations and results of surveys by external compensation consultants.

(b) Annual Bonus

To determine the amount of the annual bonus, the Company uses its consolidated operating profit, free cash flows in the automobile business, quality and employee engagement based on the proportionate consolidation of its Chinese joint venture considering that China is one of the most important markets in the global automotive industry today. These four categories were selected because they are drivers contributing to the Company's "sustainable growth." Each of the four categories for indicating the achievement of the performance goal has been assigned a weighted ratio, the sum of all of which equals 100%, taking into account the target level. The target level is based on the business forecast determined at the beginning of the current fiscal year. As for the Company's consolidated operating profit, the FY2019 "target" was set at ¥492 billion. The Company's actual consolidated operating profit was ¥116.7 billion, resulting in an achievement rate of 0%. As for the Company's free cash flows in the automobile business, the FY2019 "target" was set at ¥130 billion. The Company's actual free cash flows in the automobile business were negative ¥626.9 billion, resulting in an achievement rate of 0%. As for the quality factor, the Company's internal management goals of the FY2019 "target", which consisted of quality assurance and customer satisfaction consideration, were achieved, resulting in an achievement rate of 100%. As for employee engagement, the Company's internal management goal of the FY2019 "target" was set based on the external benchmarking (i.e., an employee survey adopted by many global corporations) and the achievement rate was 83%. The Company's overall achievement based on these factors resulted in a weighted average achievement ratio of 19%. With respect to the actual figures of the two financial categories, the Company uses financial figures that reflect the impacts of exchange rate fluctuations. Based on the foregoing results, the amount of the annual bonus was calculated by multiplying the basic compensation by this weighted average achievement ratio and a separate multiplier determined based on the Director's title.

Some of the executive officers voluntarily waived the annual bonus for the current fiscal year.

(c) Performance-Linked Incentive Compensation

The Company pays performance-linked incentive compensation in the form of grant of share appreciation rights and payment of performance-linked incentives (cash remuneration). Such compensation shall vest depending on the achievement rate as to the consolidated operating profit based on the proportionate consolidation of the Chinese joint venture. The Company selected consolidated operating profit because it is a particularly important driver contributing to the Company's "sustainable growth." For the current fiscal year, while the "target" was set at ¥492 billion, the actual figures was ¥116.7 billion and the achievement rate was 0%. Therefore, no performance-linked incentive compensation vested.

At the meeting of the Compensation Committee held on September 9, 2019, it was decided that grants of SAR would be abolished beginning FY2020. In FY2020, the Company plans to adopt a new long-term incentive plan.

Before the transition to a company with three statutory committees, the Company determined the cash remuneration payable to Directors and Statutory Auditors within the maximum amounts which are ¥2,990 million per annum for Directors as was resolved at the 109th Ordinary General Meeting of Shareholders held on June 25, 2008 and ¥220 million per annum for Statutory Auditors as was resolved at the 117th Ordinary General Meeting of Shareholders held on June 22, 2016. The amount of compensation to be allocated to each Director was determined by the Board of Directors after each round of deliberations at the Independent Director Committee composed of external Directors.

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

(Millions of yen)

Category of Executives	Total Amount of Compensation	Breakdown of Total Amount of Compensation						Number of Executives
		Annual Basic Salary	Variable Compensation	Performance-linked incentives (cash remuneration)	Share Appreciation Rights (fair value at the time the number of exercisable SARs was fixed)	Share Appreciation Rights (the difference between the amount received upon exercise and the amount disclosed in a previous year) (Note 5)	Other Compensation	
Directors (excluding Outside Directors)	79	79	—	—	—	—	—	6 (Note 1)
Statutory Auditors (excluding Outside Statutory Auditors) (Note 2)	10	10	—	—	—	—	—	1
Executive Officers	1,574	421	17 (Note 4)	—	—	—	1,136 (Note 6)	14 (Note 3)
Outside Directors and Outside Statutory Auditors (Note 2)	172	172	—	—	—	—	—	11

Notes
1. The Directors included in this table are those who received compensation for their services as Director (out of eight (8) Directors in total; excluding Outside Directors), including four (4) former Directors who retired from their position of Director during this fiscal year.
2. The 120th Ordinary General Meeting of Shareholders held on June 25, 2019 resolved the transition to a company with three statutory committees. The Statutory Auditors of the Company (including the Outside Statutory Auditors) retired from their position of Statutory Auditor upon the conclusion of such annual shareholders meeting. The amounts of compensation of Statutory Auditors set forth in this table are with respect to such Statutory Auditors and their services provided during their tenure from April 1, 2019 to June 25, 2019.
3. The total number of Executive Officers included in this table represents those who were in office after June 25, 2019 (i.e., the date on which the Company has adopted a three statutory committee format), including six (6) former Executive Officers who separated from the Company during this fiscal year.
4. Given the recent business environment of the Company certain executive officers voluntarily waived their variable compensation, in whole or in part, to the Company. The amount of compensation stated above in this table reflects the amounts paid net of bonuses that were waived by executive officers.
5. This notes the difference between (i) the total monetary amount received by the relevant Executive from the Company during this fiscal year upon the exercise of SARs granted in previous fiscal years and (ii) the total fair value of such exercised SARs as disclosed in the corresponding prior annual securities reports based on then-current share prices.
6. This amount represents the total amount of the separation benefits and other retirement benefits of ¥990 million paid to four (4) Executive Officers who separated from the Company during this fiscal year and the sum of the tax equalization benefit, housing allowance, other fringe benefits, etc. of ¥147 million paid to five (5) Executive Officers, which were determined by the Compensation Committee in accordance with the Company's policies and other standards.
7. With respect to Executive Officers who concurrently serve as Director of the Company, the Company has only paid such individuals compensation for their services as Executive Officer.
8. With respect to the amounts of the compensation, etc. paid to Executives in foreign currency, the amounts disclosed in this table are the amounts converted into yen using the yearly average exchange rate.

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

(Millions of yen)

Name	Category of Executives	Name of Entity	Total Amount of Compensation	Breakdown of Total Amount of Compensation					
				Annual Basic Salary	Variable Compensation	Performance-linked incentives (cash remuneration)	Share Appreciation Rights (fair value at the time the number of exercisable SARs was fixed)	Share Appreciation Rights (the difference between the amount received upon exercise and the amount disclosed in a previous year)	Other Compensation
Hiroto Saikawa	Director	NML	298	54	—	—	—	—	—
	Executive Officer	NML		44	—	—	—	—	200 (Note 1)
Yasuhiro Yamauchi	Director	NML	419	3	—	—	—	—	—
	Executive Officer	NML		43	—	—	—	—	373 (Note 1)
Hiroshi Karube	Executive Officer	NML	249	23	—	—	—	—	226 (Note 1)
Hitoshi Kawaguchi	Executive Officer	NML	210	19	—	—	—	—	191 (Note 1)
Christian Vandenhende	Executive Officer	NML	120	51	10	—	—	—	59 (Note 2)

Notes 1. This is the total amount of the separation benefits and other retirement benefits paid to the eligible Executive Officers who separated from the Company during this fiscal year, based upon the determination of the Compensation Committee.

2. This amount is the total amount of the tax equalization benefit, housing allowance, other fringe benefits, etc. paid to eligible Executive Officers, which were determined by the Compensation Committee in accordance with the Company’s policies and other standards.

< Payment based on the Policy for Executive Officers Compensation upon Separation>

No Executive Officers of the Company are entitled to severance benefits as part of a service agreement. However, the Company has adopted a policy for Executive Officers Compensation upon separation for the Executive Officers who would separate from the Company before the expiration of their term of office. The policy is intended to secure multi-year post-employment restrictions, such as non-competition and confidentiality agreements, from exiting Executive Officers and to facilitate an orderly transition of management. This policy is administered at the discretion of the Compensation Committee of the Company. The terms and conditions of this policy are based on competitive standards having been set after a careful review of global organizations with which the Company benchmarks its compensation practices. The amount of the separation benefits may be determined by the Compensation Committee at its discretion based on the facts, situations and circumstances at the time of the separation of relevant Executive Officer. During this fiscal year, based on the determination of the Compensation Committee, the Company paid (i) ¥304 million to Yasuhiro Yamauchi, who retire from his office as Executive Officer due to the change of the management of the Company effective as of December 1, 2019; (ii) ¥193 million to Hiroshi Karube, who retired from his office as Executive Officer for the same reason on the same date; and (iii) ¥160 million to Hitoshi Kawaguchi, who retired from his office as Executive Officer for the same reason on the same date. These amounts are included in the amounts described in the columns of “Other Compensation” column in the above compensation tables corresponding to Total Amount Disclosure of Standalone Compensation and Individual Disclosure of Consolidated Compensation.

<Retirement Allowance>

In addition to the above, the Company paid ¥152 million and ¥114 million, respectively, to Toshiyuki Shiga and Hiroto Saikawa, who resigned from their respective offices as Director during this fiscal year as retirement allowance following the abolishment of the retirement allowance system, based upon the resolution of the 108th Ordinary General Meeting of Shareholders held on June 20, 2007.

(5) Status of stocks held

1) Criteria and concept on stocks for investment

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

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

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

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

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

	Number of stocks	Total of the amounts recorded in the balance sheet (Millions of yen)
Unlisted stocks	34	27,265
Stocks other than unlisted stocks	4	54,524

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

	Number of stocks	Total amount of purchase price relating to increase in the number of stocks (Millions of yen)	Reason for the increase
Unlisted stocks	1	187	Additional acquisition by exercise of stock acquisition rights
Stocks other than unlisted stocks	—	—	—

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

	Number of stocks	Total amount of sale price relating to decrease in the number of stocks (Millions of yen)
Unlisted stocks	2	195
Stocks other than unlisted stocks	—	—

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

Specific stocks for investment

Stocks	Current fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Prior fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
Daimler AG	16,448,378	16,448,378	Renault-Nissan-Daimler hold each other's stocks in cross-shareholding to maintain and expand strategic cooperative relationship, and working together for joint development and complementary production. Although quantitative holding effects are difficult to identify, the Company considers that such investment is necessary to promote its business globally.	No (*)
	53,358	106,783		
Tan Chong Motor Holdings Berhad	37,333,324	37,333,324	Held to cooperate in production, import and sales in Asian countries. Although quantitative holding effects are difficult to identify, the Company considers that such investment is necessary to promote its business in Asian countries.	No
	967	1,530		
Star Flyer Inc.	60,000	60,000	Held to maintain cooperative relationships with local companies and contribute to the local community at Kyushu area where the Company has one of the major production bases. Although quantitative holding effects are difficult to identify, the Company considers that such investment is necessary.	No
	198	224		
MITSUBA Corporation	729	729	Stocks of less than a standard unit held when contributed to a retirement benefit trust. The holding purpose is as described in the "Stocks subject to deemed holding" table below.	Yes
	0	0		

Note: There are four (4) applicable specific stocks for investment inclusive of those for which the amount recorded in the balance sheet is less than one-hundredth (1/100) of common stock.
"Amount recorded in the balance sheet" of Tan Chong Motor Holdings Berhad and the following three (3) companies is less than one-hundredth (1/100) of common stock.
The method to verify the reasonableness of the holding is stated in "a. Holding policy and the method to verify the reasonableness of the holding, as well as details of such verification by the Board of Directors or any other bodies concerning the appropriateness of the holding of the respective stocks" of "2) Stocks for investment held for any purposes other than pure investment purpose."

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

Stocks subject to deemed holding

Stocks	Current fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Prior fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
Mizuho Leasing Company, Limited	1,750,000	1,750,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	No
	3,687	4,574		
MITSUBA Corporation	1,742,000	1,742,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	Yes
	731	1,083		

3) Stocks for investment held solely for investment purpose

Not applicable.

5. Financial Information

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

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

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

2. Auditing and attestation

The consolidated and the non-consolidated financial statements for the fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020) were audited by Ernst & Young ShinNihon LLC, in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law.

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

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

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

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

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheets

(Millions of yen)

		Prior fiscal year (As of March 31, 2019)		Current fiscal year (As of March 31, 2020)
Assets				
Current assets				
Cash on hand and in banks		1,219,588		1,382,471
Trade notes and accounts receivable		512,164		356,156
Sales finance receivables	※3,※6	7,665,603	※3,※6	6,739,336
Securities		139,470		260,510
Merchandise and finished goods		827,289		881,940
Work in process		64,386		67,865
Raw materials and supplies		366,248		390,618
Other	※6	945,449	※6	739,307
Allowance for doubtful accounts		(127,092)		(142,264)
Total current assets		11,613,105		10,675,939
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		590,717		582,716
Machinery, equipment and vehicles, net	※2	3,436,437	※2	2,936,316
Land		595,776		589,064
Construction in progress		233,070		227,165
Other, net		449,698		183,589
Total property, plant and equipment	※1,※3	5,305,698	※1,※3	4,518,850
Intangible fixed assets	※4	134,471	※4	114,932
Investments and other assets				
Investment securities	※5	1,338,875	※5	1,177,184
Long-term loans receivable		13,983		13,658
Net defined benefit assets		8,499		10,397
Deferred tax assets		326,759		228,012
Other		213,313		241,622
Allowance for doubtful accounts		(2,358)		(3,885)
Total investments and other assets		1,899,071		1,666,988
Total fixed assets		7,339,240		6,300,770
Total assets		18,952,345		16,976,709

(Millions of yen)

		Prior fiscal year (As of March 31, 2019)		Current fiscal year (As of March 31, 2020)
Liabilities				
Current liabilities				
Trade notes and accounts payable		1,580,452		1,357,047
Short-term borrowings	※3	850,995	※3	1,339,949
Current portion of long-term borrowings	※3	1,630,771	※3	1,826,904
Commercial papers		697,549		726,017
Current portion of bonds		583,457		765,532
Lease obligations		19,846		35,572
Accrued expenses		1,183,888		1,031,284
Accrued warranty costs		116,492		104,297
Other		1,067,081		878,644
Total current liabilities		7,730,531		8,065,246
Long-term liabilities				
Bonds		1,691,844		1,042,954
Long-term borrowings	※3	2,539,186	※3	2,098,558
Lease obligations		16,038		72,494
Deferred tax liabilities		339,991		243,428
Accrued warranty costs		116,425		108,751
Net defined benefit liability		378,967		454,068
Other		515,853		466,437
Total long-term liabilities		5,598,304		4,486,690
Total liabilities		13,328,835		12,551,936
Net assets				
Shareholders’ equity				
Common stock		605,814		605,814
Capital surplus		814,682		818,056
Retained earnings		4,961,980		4,125,043
Treasury stock		(139,457)		(139,262)
Total shareholders’ equity		6,243,019		5,409,651
Accumulated other comprehensive income				
Unrealized holding gain and loss on securities		30,004		(16,420)
Unrealized gain and loss from hedging instruments		4,762		(20,352)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(30,882)		(35,632)
Translation adjustments		(790,131)		(1,046,160)
Remeasurements of defined benefit plans		(154,097)		(226,798)
Total accumulated other comprehensive income		(940,344)		(1,345,362)
Non-controlling interests		320,835		360,484
Total net assets		5,623,510		4,424,773
Total liabilities and net assets		18,952,345		16,976,709

② Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

		Prior fiscal year (From April 1, 2018 To March 31, 2019)		Current fiscal year (From April 1, 2019 To March 31, 2020)
Net sales		11,574,247		9,878,866
Cost of sales	※1,※2	9,670,402	※1,※2	8,442,905
Gross profit		1,903,845		1,435,961
Selling, general and administrative expenses				
Advertising expenses		302,472		280,801
Service costs		146,851		66,509
Provision for warranty costs		122,818		122,991
Other selling expenses		221,536		220,981
Salaries and wages		409,222		387,757
Retirement benefit expenses		19,105		21,438
Supplies		2,780		2,348
Depreciation and amortization		55,685		63,465
Provision for doubtful accounts		82,356		109,659
Amortization of goodwill		1,118		1,681
Other		221,678		198,800
Total selling, general and administrative expenses	※1	1,585,621	※1	1,476,430
Operating income (loss)		318,224		(40,469)
Non-operating income				
Interest income		30,206		21,263
Dividends income		8,132		7,287
Equity in earnings of affiliates		218,565		86,547
Derivative gain		24,751		59,757
Miscellaneous income		29,532		9,970
Total non-operating income		311,186		184,824
Non-operating expenses				
Interest expense		13,478		10,874
Exchange loss		38,293		63,244
Credit liquidation costs		12,888		10,458
Miscellaneous expenses		18,253		15,730
Total non-operating expenses		82,912		100,306
Ordinary income		546,498		44,049

(Millions of yen)

		Prior fiscal year (From April 1, 2018 To March 31, 2019)		Current fiscal year (From April 1, 2019 To March 31, 2020)
Special gains				
Gain on sales of fixed assets	※3	17,712	※3	11,246
Compensation income		—		32,813
Other		10,604		8,303
Total special gains		28,316		52,362
Special losses				
Loss on sales of fixed assets	※4	2,960	※4	6,026
Loss on disposal of fixed assets		15,941		17,914
Impairment loss	※5	13,339	※5	540,642
Compensation for suppliers and others		16,998		63,992
Special addition to retirement benefits		39,832		15,422
Other		8,036		25,437
Total special losses		97,106		669,433
Income (loss) before income taxes		477,708		(573,022)
Income taxes-current		156,115		64,487
Income taxes-deferred		(20,322)		28,669
Total income taxes		135,793		93,156
Net income (loss)		341,915		(666,178)
Net income attributable to non-controlling interests		22,777		5,038
Net income (loss) attributable to owners of parent		319,138		(671,216)

Consolidated statements of comprehensive income

(Millions of yen)

		Prior fiscal year (From April 1, 2018 To March 31, 2019)		Current fiscal year (From April 1, 2019 To March 31, 2020)
Net income(loss)		341,915		(666,178)
Other comprehensive income				
Unrealized holding gain and loss on securities		(28,964)		(43,401)
Unrealized gain and loss from hedging instruments		(4,648)		(24,671)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(17,966)		(5,470)
Translation adjustments		(9,892)		(239,385)
Remeasurements of defined benefit plans		(19,676)		(64,492)
The amount for equity method company portion		(64,770)		(40,550)
Total other comprehensive income	※1	(145,916)	※1	(417,969)
Comprehensive income		195,999		(1,084,147)
(Breakdown of comprehensive income)				
Comprehensive income attributable to owners of parent		177,385		(1,076,234)
Comprehensive income attributable to non-controlling interests		18,614		(7,913)

③ Consolidated statements of changes in net assets

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

(Millions of yen)

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	814,682	4,961,980	(139,457)	6,243,019	30,004	4,762
Cumulative effects of changes in accounting policies			(14,353)		(14,353)		
Restated balance	605,814	814,682	4,947,627	(139,457)	6,228,666	30,004	4,762
Changes of items during the period							
Cash dividends paid			(150,652)		(150,652)		
Net loss attributable to owners of parent			(671,216)		(671,216)		
Purchase of treasury stock				(2)	(2)		
Disposal of treasury stock		5		197	202		
Changes in the scope of consolidation			(108)		(108)		
Changes in the scope of equity method			(608)		(608)		
Changes in interests by purchase of subsidiaries' shares		(2)			(2)		
Changes in interests by sales of subsidiaries' shares		3,620			3,620		
Change in an affiliated company's interests in its subsidiary		(249)			(249)		
Net changes of items other than those in shareholders' equity						(46,424)	(25,114)
Total changes of items during the period		3,374	(822,584)	195	(819,015)	(46,424)	(25,114)
Balance at the end of current period	605,814	818,056	4,125,043	(139,262)	5,409,651	(16,420)	(20,352)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	(30,882)	(790,131)	(154,097)	(940,344)	320,835	5,623,510
Cumulative effects of changes in accounting policies					(79)	(14,432)
Restated balance	(30,882)	(790,131)	(154,097)	(940,344)	320,756	5,609,078
Changes of items during the period						
Cash dividends paid						(150,652)
Net loss attributable to owners of parent						(671,216)
Purchase of treasury stock						(2)
Disposal of treasury stock						202
Changes in the scope of consolidation						(108)
Changes in the scope of equity method						(608)
Changes in interests by purchase of subsidiaries' shares						(2)
Changes in interests by sales of subsidiaries' shares						3,620
Change in an affiliated company's interests in its subsidiary						(249)
Net changes of items other than those in shareholders' equity	(4,750)	(256,029)	(72,701)	(405,018)	39,728	(365,290)
Total changes of items during the period	(4,750)	(256,029)	(72,701)	(405,018)	39,728	(1,184,305)
Balance at the end of current period	(35,632)	(1,046,160)	(226,798)	(1,345,362)	360,484	4,424,773

④ Consolidated statements of cash flows

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Cash flows from operating activities		
Income (loss) before income taxes	477,708	(573,022)
Depreciation and amortization (for fixed assets excluding leased vehicles)	385,737	384,116
Depreciation and amortization (for long term prepaid expenses)	33,954	43,311
Depreciation and amortization (for leased vehicles)	479,850	438,488
Impairment loss	13,339	540,642
Increase (decrease) in allowance for doubtful receivables	3,028	21,110
Provision for residual value risk of leased vehicles (net changes)	31,828	39,775
Interest and dividends income	(38,338)	(28,550)
Interest expense	208,074	200,816
Equity in losses (earnings) of affiliates	(218,565)	(86,547)
Loss (gain) on sales of fixed assets	(14,752)	(5,220)
Loss on disposal of fixed assets	15,941	17,914
Loss (gain) on sales of investment securities	(1,483)	(3,026)
Decrease (increase) in trade notes and accounts receivable	228,010	141,882
Decrease (increase) in sales finance receivables	87,606	667,270
Decrease (increase) in inventories	13,098	(118,578)
Increase (decrease) in trade notes and accounts payable	(43,721)	(255,686)
Retirement benefit expenses	27,545	30,049
Payments related to net defined benefit assets and liabilities	(26,644)	(29,162)
Other	(52,424)	(102,442)
Subtotal	1,609,791	1,323,140
Interest and dividends received	41,706	29,195
Proceeds from dividends income from affiliates accounted for by equity method	144,376	173,796
Interest paid	(202,757)	(204,120)
Income taxes paid	(142,228)	(136,157)
Net cash provided by (used in) operating activities	1,450,888	1,185,854
Cash flows from investing activities		
Net decrease (increase) in short-term investments	675	874
Purchase of fixed assets	(422,569)	(464,219)
Proceeds from sales of fixed assets	46,433	49,242
Purchase of leased vehicles	(1,298,702)	(1,114,850)
Proceeds from sales of leased vehicles	666,375	743,759
Payments of long-term loans receivable	(372)	(607)
Collection of long-term loans receivable	3,390	735
Purchase of investment securities	(31,328)	(11,776)
Proceeds from sales of investment securities	178	2,648
Purchase of shares of subsidiaries' resulting in changes in the scope of consolidation	—	(933)
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	440	1,746
Net decrease (increase) in restricted cash	(134,474)	85,579
Proceeds from transfer of business	46,176	—
Other	(9,769)	(885)
Net cash provided by (used in) investing activities	(1,133,547)	(708,687)

(Millions of yen)

		Prior fiscal year (From April 1, 2018 To March 31, 2019)		Current fiscal year (From April 1, 2019 To March 31, 2020)
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		213,577		509,217
Proceeds from long-term borrowings		1,313,294		1,655,629
Proceeds from issuance of bonds		363,868		160,124
Repayments of long-term borrowings		(1,344,303)		(1,718,635)
Redemption of bonds		(416,059)		(571,399)
Proceeds from share issuance to non-controlling shareholders		—		9,560
Purchase of treasury stock		(5)		(2)
Repayments of lease obligations		(27,044)		(37,261)
Cash dividends paid		(215,101)		(150,652)
Cash dividends paid to non-controlling interests		(15,354)		(17,086)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation		(13)		—
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation		—		5,011
Net cash provided by (used in) financing activities		(127,140)		(155,494)
Effects of exchange rate changes on cash and cash equivalents		(38,258)		(43,954)
Increase (decrease) in cash and cash equivalents		151,943		277,719
Cash and cash equivalents at beginning of the period		1,206,000		1,359,058
Increase due to inclusion in consolidation		1,115		6,204
Cash and cash equivalents at end of the period	※1	1,359,058	※1	1,642,981

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

1. Scope of consolidation
   (1) Number of consolidated group companies: 197
   - Domestic companies: 67
   - Overseas companies: 130

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

   Due to new establishment in the current fiscal year or other reasons, JATCO (Suzhou) Automatic Transmission Ltd. and eight other companies have been included in the scope of consolidation in the current fiscal year. Nissan Canada Financial Services Inc., which was a consolidated subsidiary in the prior fiscal year, has been excluded from the scope of consolidation in the current fiscal year due to the dissolution in line with a merger. Nissan Satio Toyama Co., Ltd. and two other companies which were consolidated subsidiaries in the prior fiscal year, have been excluded from the scope of consolidation in the current fiscal year due to the transfer of shares held by the Company.

   (2) Number of unconsolidated subsidiaries: 67
   - Domestic companies: 47
     NISSAN ARC, LTD and others
   - Overseas companies: 20
     JATCO Korea Engineering Corporation and others

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

2. Equity method
   (1) Number of companies accounted for by the equity method: 49
   - Unconsolidated subsidiaries: 17 (12 domestic and 5 overseas companies)
     NISSAN ARC, LTD and others
   - Affiliates: 32 (18 domestic and 14 overseas companies)
     Renault S.A., Dongfeng Motor Co., Ltd., MITSUBISHI MOTORS CORPORATION, NISSAN TOKYO SALES HOLDINGS CO., LTD. and others

   Due to new establishment in the current fiscal year or other reasons, Alliance Automotive Research & Development (Shanghai) Co., Ltd. and two other companies have become affiliates accounted for by the equity method in the current fiscal year. Due to the transfer of shares held by the Company or other reasons, Nissan Prince Kumamoto Hanbai Co., Ltd., which was an affiliate accounted for by the equity method in the prior fiscal year, and two other companies have been excluded from the scope of the equity method in the current fiscal year.

   (2) Number of companies not accounted for by the equity method: 60
   - Unconsolidated subsidiaries: 50
     Nissan Shatai Computer Service Co., Ltd. and others
   - Affiliates: 10
     Nissan Car Techno Yamaguchi Co., Ltd, and others

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

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

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

   December 31:

   Nissan Mexicana, S.A. De C. V.
   Nissan Exports De Mexico, S. de R.L. de C.V.
   NR FINANCE MEXICO, S.A. de C.V.
   NR Finance Services, S.A. de C.V.
   ANZEN Agente de Seguros, S.A. de C.V.
   NISSAN DO BRASIL AUTOMOVEIS LTDA
   Nissan Argentina S. A.
   NISSAN ARGENTINA PLAN S.A. DE AHORRO PARA FINES DETERMINADOS
   Nissan Chile SpA
   Nissan Peru S.A.C.
   APRITE (GB) LIMITED
   Nissan Manufacturing RUS, Limited Liability Company
   NISSAN MOTOR UKRAINE Limited Liability Company
   Yulon Nissan Motor Co., Ltd.
   NISSAN (CHINA) INVESTMENT CO., LTD.
   Dongfeng Nissan Auto Finance Co., Ltd.
   Dongfeng Nissan Financial Leasing Co., Ltd.

Wuhan Dongfeng Insurance Broker Co., Ltd.
Wuhan Dongfeng Xinda Economic Information Consulting Co., Ltd.
Nissan Shanghai Co., Ltd.
JATCO MEXICO S.A. DE C.V.
JATCO (Guangzhou) Automatic Transmission Ltd.
JATCO (Suzhou) Automatic Transmission Ltd.
Nissan Guangzhou Co., Ltd.
NISSAN TRADING CHINA CO., LTD
Nissan (Shanghai) Automotive Design Co., Ltd.
Alliance Mobility Company France

(2) Of these 27 companies, Nissan Mexicana, S.A. De C. V. and 17 other subsidiaries are consolidated by using their financial statements as of the parent fiscal year end which are prepared solely for consolidation purposes. Yulon Nissan Motor Co., Ltd. and eight other subsidiaries are consolidated by using their financial statements as of their respective fiscal year end, and necessary adjustments are made to their financial statements to reflect any significant transactions from January 1 to March 31.

4. Significant accounting policies

(1) Valuation methods for assets

①Securities

Held-to-maturity securities:

Held-to maturity securities are stated at amortized cost.

Other securities:

Marketable securities:

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

Non-marketable securities:

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

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

②Derivative financial instruments

Derivative financial instruments are stated at fair value.

③Inventories

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

(2) Depreciation of property, plant and equipment

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

Depreciation of leased assets (including right-of-use assets) is calculated by the straight-line method based on either the estimated useful lives or the lease terms and the estimated residual value determined by the Company.

(3) Basis for significant reserves

①Allowance for doubtful accounts

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

②Accrued warranty costs

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

(4) Accounting for retirement benefits

For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.

Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 6 to 17 years).

Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 8 to 26 years). Certain foreign consolidated subsidiaries have adopted the corridor approach for actuarial gain and loss, and amortize them over the average remaining years of services of the eligible employees or the average life expectancy of the eligible employees.

Actuarial gain and loss and past service cost that are yet to be recognized as gain or loss are recorded as remeasurements of defined benefit plans presented in accumulated other comprehensive income of the net assets section, after being adjusted for tax effects.

(5) Reporting of significant revenue and expenses

Reporting of revenue from finance lease transactions

Interest income is recognized over the fiscal years concerned.

(6) Foreign currency translation

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

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

(7) Hedge accounting method

①Hedge accounting method

Primarily, deferred hedge accounting is applied for derivative instruments.

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

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

②Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

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

③Hedging policy

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

④Assessment of hedge effectiveness

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

(8) Amortization of goodwill

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

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

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

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

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

(10) Accounting for consumption taxes

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

(11) Adoption of consolidated taxation system

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

(12) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and some of its domestic subsidiaries have been adopted "*Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System*" (PITF No. 39, March 31, 2020) and deferred tax assets and liabilities are based on tax law provisions in place prior to the revision prescribing transition from the consolidated taxation system to the group tax sharing system (Act No. 8 of 2020).

(Changes in accounting policies)

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

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

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

In adopting the accounting standards, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the fiscal year ended March 31, 2020.

As a result, mainly, the balance of property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the fiscal year ended March 31, 2020 increased by ¥77,412 million, ¥12,319 million, and ¥72,158 million, respectively, while retained earnings and non-controlling interests included in net assets decreased by ¥3,864 million and ¥79 million, respectively. The effects of these revisions on the consolidated statements of income for the fiscal year ended March 31, 2020 are immaterial.

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

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

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

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

In adopting the accounting standard, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the fiscal year ended March 31, 2020.

As a result, the balance of income tax payables at the beginning of the fiscal year ended March 31, 2020 increased by ¥12,682 million, the balances of retained earnings and deferred tax liabilities at the beginning of the fiscal year ended March 31, 2020 decreased by ¥10,489 million and ¥2,193 million, respectively. In addition, net loss attributable to owners of parent for the fiscal year ended March 31, 2020 decreased by ¥9,045 million.

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

(Accounting standards to be adopted)

1. Domestic subsidiaries and affiliates

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

① Overview

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

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

② Scheduled date of adoption

To be applied from the fiscal year ending March 2022.

③ Effect of adoption

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

2. Foreign subsidiaries and affiliates

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

① Overview

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

② Scheduled date of adoption

To be applied from the fiscal year ending March 2021.

③ Effect of adoption

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

(Changes in presentation)

1. Consolidated statements of income

“Gain on sales of business,” which was presented as a separate account under “Special gains” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥7,993 million of “Gain on sales of business” under “Special gains” in the prior fiscal year has been reclassified into “Other” in the consolidated statement of income for the prior fiscal year provided herein.

“Expense for reorganization of sales business,” which was presented as a separate account under “Special losses” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥4,027 million of “Expense for reorganization of sales business” under “Special losses” in the prior fiscal year has been reclassified into “Other” in the consolidated statement of income for the prior fiscal year provided herein.

(Additional information)

The Group assumes that the impact of COVID-19 will continue for a period of time. For FY2020, we currently estimate global TIV to decline by approximately 15 to 20% from FY2019. The Group reflected the impact on our current accounting estimates including determination of the recoverability of deferred tax assets and recognition and measurement of impairment loss.
However, there are many uncertainties over the impact of COVID-19, which may have a material effect on the Group's financial position and operating results for the fiscal year ending March 31, 2021.

(For consolidated balance sheets)

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Accumulated depreciation of property, plant and equipment	5,485,136	5,491,791
(Accumulated depreciation of leased assets included)	77,397	110,517

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Assets leased to others under lease agreements (lessor)	2,722,277	2,452,585

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

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Sales finance receivables	2,649,505 (2,649,505)	2,506,933 (2,501,458)
Property, plant and equipment	503,383 (503,383)	942,124 (942,124)
Total	3,152,888	3,449,057

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Short-term borrowings	403,968 (403,968)	606,470 (602,951)
Long-term borrowings (including the current portion)	1,970,852 (1,970,852)	1,840,540 (1,840,540)
Total	2,374,820	2,447,010

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

4 Guarantees and others

Prior fiscal year (As of March 31, 2019)

(1) Guarantees

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

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

(2) Commitments to provide guarantees

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

Current fiscal year (As of March 31, 2020)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※23,025	Guarantees for employees' housing loans and others
13 foreign dealers	269	Guarantees for loans and others
Total	23,294	

※ 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.	26	Commitments to provide guarantees for loans

5 Contingent Liabilities

・Lawsuits related to Takata's airbag inflators

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

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Goodwill	6,141	4,644

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Investments in stock of unconsolidated subsidiaries and affiliates	1,202,549	1,094,470
(Investments in stock of joint ventures included)	478,646	463,096

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Lease receivables	40,778	37,731
Lease investment assets	49,931	88,814

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Total credit lines of overdrafts and loans	304,717	244,055
Loans receivable outstanding	205,893	130,895
Unused credit lines	98,824	113,160

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

(For consolidated statements of income)

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

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Research and development costs included in manufacturing costs and selling, general and administrative expenses	523,133	544,769

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Cost of sales	2,684	7,233

3 ※3 Gain on sales of fixed assets

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥8,969 million.

4 ※4 Loss on sales of fixed assets

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

Loss on sales of fixed assets primarily consisted of a loss on sale of land of ¥2,427 million and a loss on sale of machinery, equipment and vehicles of ¥3,549 million.

5 ※5 Impairment loss

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

The following loss on impairment of fixed assets was recorded.

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

The Group bases its grouping for assessing the impairment loss on fixed assets on its business segments (automobiles and sales financing) and the regional classifications that are mutually complementary with each other. However, the Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.
The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥13,339 million and has been recorded as special losses in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥10,987 million on idle assets (machinery, equipment and vehicles - ¥1,370 million; property, plant and equipment (others) - ¥9,504 million; and others - ¥113 million), losses of ¥83 million on assets to be sold (land - ¥52 million; and buildings and structures - ¥31 million) and losses of ¥2,269 million on assets to be disposed of (land - ¥796 million; buildings and structures - ¥364 million; intangible fixed assets - ¥1,019 million; and others - ¥90 million).
The recoverable value of these assets was measured by net sales value. Property, plant and equipment of idle assets and property, plant and equipment to be disposed of were calculated based on the real estate appraisal value, etc. and those for assets to be sold were evaluated based on sales contracts. And intangible fixed assets to be disposed of were estimated as zero because future use will not be expected.

Current fiscal year (From April 1, 2019 To March 31, 2020)

The following loss on impairment of fixed assets was recorded.
In response to the updated future volume projections focusing on “rationalizing the businesses” and “prioritize and focus,” the Group conducted impairment testing for asset groups for which there were indications of impairment at the end of current consolidated fiscal year. As a result, the book value of the following business assets of the automobile segment were written down to the recoverable amount, and an extraordinary loss was recorded as an impairment loss by ¥522,005million.
The Group bases its grouping for assessing the impairment loss on fixed assets both on its business segments (automobiles and sales financing) and on the regional classifications that are complementary with each other, and the grouping was partly reconsidered to a more detailed management classification at the impairment testing at the end of the current fiscal year, considering the current regional business management structure and inter-regional relationships.

Usage	Type	Location	Amount (Millions of yen)
Business-use assets	Machinery, equipment and vehicles and others	Americas	321,708
Business-use assets	Machinery, equipment and vehicles and others	Europe	148,533
Business-use assets	Machinery, equipment and vehicles and others	Asia	51,764
		Total	522,005

The recoverable amount is mainly measured by the value in use or net realizable value. Net realizable value is calculated based on the real estate appraisal value, etc. Value in use is calculated by discounting future cash flows at discount rate of 5.08% to 10.30%. The impact of COVID-19 is considered in the estimation of future cash flows.

The Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of. The impairment loss was recorded for the assets below.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles and others	Japan, Europe and Asia (Total 13 locations)	14,468
Assets to be sold	Machinery, equipment and vehicles	Europe (Total 1 location)	1,345
Assets to be disposed of	Land, Buildings and structures, Intangible fixed assets and others	Japan and Other overseas countries (Total 13 locations)	2,824

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥18,637 million and has been recorded as special losses in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥14,468 million on idle assets (machinery, equipment and vehicles - ¥2,388 million; property, plant and equipment (others) - ¥12,008 million; and others - ¥72 million), losses of ¥1,345 million on assets to be sold (machinery, equipment and vehicles - ¥1,345 million) and losses of ¥2,824 million on assets to be disposed of (land - ¥629 million; buildings and structures - ¥850 million; intangible fixed assets - ¥1,168 million; and others - ¥177 million).
The recoverable value of these assets was measured by net sales value. Property, plant and equipment of idle assets and property, plant and equipment to be disposed of were calculated based on the real estate appraisal value, etc. and those for assets to be sold were evaluated based on sales contracts. And intangible fixed assets to be disposed of were estimated as zero because future use will not be expected.

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and tax effects concerning other comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Unrealized holding gain and loss on securities:		
Amount arising during the period	(41,759)	(53,711)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(41,759)	(53,711)
Amount of tax effects	12,795	10,310
Unrealized holding gain and loss on securities	(28,964)	(43,401)
Unrealized gain and loss from hedging instruments:		
Amount arising during the period	7,612	17,327
Reclassification adjustments for gains and losses realized in net income	(14,602)	(51,435)
Adjustments of acquisition cost for assets	(290)	130
Before tax-effect adjustment	(7,280)	(33,978)
Amount of tax effects	2,632	9,307
Unrealized gain and loss from hedging instruments	(4,648)	(24,671)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting:		
Amount arising during the period	(17,966)	(5,470)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(17,966)	(5,470)
Amount of tax effects	—	—
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(17,966)	(5,470)
Translation adjustments:		
Amount arising during the period	(9,892)	(239,385)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(9,892)	(239,385)
Amount of tax effects	—	—
Translation adjustments	(9,892)	(239,385)
Remeasurements of defined benefit plans:		
Amount arising during the period	(38,158)	(93,751)
Reclassification adjustments for gains and losses realized in net income	11,845	15,487
Before tax-effect adjustment	(26,313)	(78,264)
Amount of tax effects	6,637	13,772
Remeasurements of defined benefit plans	(19,676)	(64,492)
The amount for equity method company portion:		
Amount arising during the period	(66,978)	(36,796)
Reclassification adjustments for gains and losses realized in net income	2,208	(3,754)
Before tax-effect adjustment	(64,770)	(40,550)
Amount of tax effects	—	—
The amount for equity method company portion	(64,770)	(40,550)
Total other comprehensive income	(145,916)	(417,969)

(For consolidated statements of changes in net assets)

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

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

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

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

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

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

2. Detail of the decrease is as follow:

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

2. Share subscription rights

Not applicable.

3. Dividends

(1) Dividends paid

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

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

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

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	307,811	1,004	(14)	308,801

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

Increase in stocks held by affiliates accounted for by the equity method 1,000

Increase due to purchase of stocks of less than a standard unit 4

2. Detail of the decrease is as follow:

Decrease in stocks held by affiliates accounted for by the equity method 14

2. Share subscription rights

Not applicable.

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 25, 2019	Common stock	111,520	28.5	March 31, 2019	June 26, 2019
Meeting of the Board of Directors on November 12, 2019	Common stock	39,132	10.0	September 30, 2019	November 27, 2019

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

(2) Dividends, which the record date was in the year ended March 31, 2020 and the effective date of which is in the year ending March 31, 2021

Not applicable.

(For consolidated statements of cash flows)

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Cash on hand and in banks	1,219,588	1,382,471
Time deposits with maturities of more than three months	—	—
Cash equivalents included in securities (*)	139,470	260,510
Cash and cash equivalents	1,359,058	1,642,981

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

(For lease transactions)

1. Finance lease transactions

(Lessees' accounting)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

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

(Lessors' accounting)

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Lease income receivable	50,052	90,906
Estimated residual value	2,996	3,187
Interest income equivalent	(3,117)	(5,279)
Lease investment assets	49,931	88,814

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	27,048	45,692
Due after one year but within two years	8,631	24,292
Due after two years but within three years	526	9,355
Due after three years but within four years	240	4,058
Due after four years but within five years	53	2,342
Due after five years	14	5,167

2. Operating lease transactions

(Lessees' accounting)

Future minimum lease payments subsequent to March 31, 2019 and March 31, 2020 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Due in one year or less	13,522	2,813
Due after one year	69,491	10,633
Total	83,013	13,446

Note : At foreign subsidiaries and affiliates, IFRS 16, *"Leases"* (January 13, 2016) and ASU 2016-02 *"Leases"* (February 25, 2016) have been adopted from the beginning of the current fiscal year ending March 31, 2020. The operating lease of these subsidiaries and affiliates are not included in amounts of the current fiscal year.

(Lessors' accounting)

Future minimum lease income subsequent to March 31, 2019 and March 31, 2020 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Due in one year or less	479,476	439,879
Due after one year	492,755	443,296
Total	972,231	883,175

(For financial instruments)

1. Financial Instruments

(1) Policies on financial instruments

The Group's cash is managed mainly through short-term deposits and appropriate repurchase agreement transactions for the purpose of efficient cash management at appropriate risk.

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

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

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

(2) Description of financial instruments and related risks

① Trade notes and accounts receivable

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

② Sales finance receivables

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

③ Securities and investment securities

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

④ Trade notes and accounts payable

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

⑤ Borrowings, bonds and lease obligations

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

⑥ Derivative transactions

(1) Forward foreign exchange contracts

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

(2) Currency options

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

(3) Interest rate swaps

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

(4) Currency swaps

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

(5) Interest rate options

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

(6) Commodity futures contracts

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

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

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

① Management of market risk

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

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

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

② Management of credit risk

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

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

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

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

③ Management of liquidity risk related to financing

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

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

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

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

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2019 and March 31, 2020 for various financial instruments. Assets and liabilities for which it is deemed difficult to measure the fair value are not included in the tables below. (Refer to Note 2.)

Prior fiscal year (As of March 31, 2019)

(Millions of yen)

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

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

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

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

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

Current fiscal year (As of March 31, 2020)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Cash on hand and in banks	1,382,471	1,382,471	—
(2) Trade notes and accounts receivable	356,156		
Allowance for doubtful accounts (*1)	(7,626)		
	348,530	348,530	—
(3) Sales finance receivables (*2)	6,694,128		
Allowance for doubtful accounts (*1)	(127,282)		
	6,566,846	6,564,932	(1,914)
(4) Securities and investment securities	868,921	572,950	(295,971)
(5) Long-term loans receivable	13,658		
Allowance for doubtful accounts (*1)	(2,500)		
	11,158	12,056	898
Total assets	9,177,926	8,880,939	(296,987)
(1) Trade notes and accounts payable	1,357,047	1,357,047	—
(2) Short-term borrowings	1,339,949	1,339,949	—
(3) Commercial papers	726,017	726,017	—
(4) Bonds (*3)	1,808,486	1,773,322	35,164
(5) Long-term borrowings (*3)	3,925,462	3,921,878	3,584
(6) Lease obligations (*3)	108,066	107,916	150
Total liabilities	9,265,027	9,226,129	38,898
Derivative transactions (*4)	30,030	30,030	—

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

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥45,208 million of deferred installments income and others.

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

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

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

Assets:

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

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

(3) Sales finance receivables

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

(4) Securities and investment securities

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

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

(5) Long-term loans receivable

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

Liabilities:

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

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

(4) Bonds

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

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

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

Derivative transactions:

Refer to the notes in "For derivative transactions."

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

(Millions of yen)

Classification	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Unlisted stocks	592,143	568,773

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

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

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,382,471	—	—	—
Trade notes and accounts receivable	356,156	—	—	—
Sales finance receivables (*1)	2,978,813	3,628,243	86,916	156
Long-term loans receivable	51	12,277	1,102	228
Total	4,717,491	3,640,520	88,018	384

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥45,208 million of deferred installment income and others

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	1,339,949	—	—	—	—	—
Commercial papers	726,017	—	—	—	—	—
Bonds	765,532	474,924	423,081	99,375	9,794	35,780
Long-term borrowings	1,826,904	1,332,534	428,086	195,065	118,044	24,829
Lease obligations	35,572	21,089	10,505	7,475	7,619	25,806
Total	4,693,974	1,828,547	861,672	301,915	135,457	86,415

(For securities)

1. Other securities

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	1,370	186	1,184
Others	3,856	2,369	1,487
Subtotal	5,226	2,555	2,671
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	77,488	97,891	(20,403)
Others	260,510	260,510	—
Subtotal	337,998	358,401	(20,403)
Total	343,224	360,956	(17,732)

2. Other securities sold during the fiscal year

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

Current fiscal year (From April 1, 2019 To March 31, 2020)
This information is not provided due to its low materiality.

3. Reclassified securities

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

Current fiscal year (From April 1, 2019 To March 31, 2020)
Not applicable.

4. Securities for which an impairment loss was recognized

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

Current fiscal year (From April 1, 2019 To March 31, 2020)
For the current fiscal year, an impairment loss of ¥1,180 million was recognized for investment securities (stock of unconsolidated subsidiaries: ¥1,180 million).

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	EUR	9,986	—	6	6
	PHP	16,735	—	447	447
	Buy:				
	USD	50,556	—	(1,468)	(1,468)
	Swaps:				
	EUR	214,030	53,798	8,091	8,091
	USD	378,060	—	5,617	5,617
	INR	8,402	—	1,308	1,308
	GBP	2,539	—	(100)	(100)
	ZAR	6,425	—	171	171
	KRW	12,175	—	139	139
	CNY	125,897	—	982	982
Total		—	—	15,193	15,193

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

(2) Interest-related transactions

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	139,245	116,279	(2,220)	(2,220)
	Receive fixed/pay floating	44,200	33,725	663	663
	Options				
	Caps sold	633,890	416,813		
	(Premium)	(1,544)	(812)	(30)	1,514
	Caps purchased	633,890	416,813		
	(Premium)	1,544	812	30	(1,514)
Total		—	—	(1,557)	(1,557)

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

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2019)

Not applicable.

Current fiscal year (As of March 31, 2020)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps:				
	USD	Short-term and long-term borrowings	255,832	142,613	36,269
	EUR	Bonds	18,048	18,048	44
	THB	Long-term loans receivable	3,280	3,280	44
	Forward foreign exchange contracts: Buy:				
	USD	Short-term borrowings	10,187	—	79
Total			—	—	36,436

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

(2) Interest-related transactions

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	58,200	28,200	Note 2
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Long-term borrowings	1,005,284	564,362	(20,039)
Total			—	—	(20,039)

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

(3) Commodity-related transactions

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

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

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

Current fiscal year (As of March 31, 2020)

Not applicable.

(For retirement benefits)

1. Description of retirement benefit plans

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

2. Defined-benefit pension plan

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Retirement benefit obligation at the beginning of the year	1,379,845	1,406,388
Service cost	32,615	31,752
Interest cost	27,276	25,764
Actuarial gain and loss generated	35,171	5,919
Past service cost generated	(1,545)	24
Retirement benefits paid	(74,290)	(77,422)
Effect of foreign exchange translation	5,539	(33,875)
Other	1,777	(1,340)
Retirement benefit obligation at the end of the year	1,406,388	1,357,210

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Plan assets at the beginning of the year	1,038,154	1,036,404
Expected return on plan assets (Note)	44,527	43,003
Actuarial gain and loss generated	(1,878)	(95,493)
Contribution from employers	20,028	22,473
Retirement benefits paid	(67,813)	(70,832)
Effect of foreign exchange translation	1,879	(22,542)
Other	1,507	960
Plan assets at the end of the year	1,036,404	913,973

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

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Net defined benefit liability and assets at the beginning of the year	618	484
Retirement benefit expenses	336	49
Retirement benefits paid	(61)	(31)
Contribution to plans	(78)	(68)
Decrease due to exclusion from consolidation	(331)	—
Net defined benefit liability and assets at the end of the year	484	434

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Retirement benefit obligation for funded plans	1,329,733	1,279,026
Plan assets	(1,037,282)	(914,983)
	292,451	364,043
Retirement benefit obligation for unfunded plans	78,017	79,628
Net defined benefit liability and assets reported on the consolidated balance sheets	370,468	443,671
Net defined benefit liability	378,967	454,068
Net defined benefit assets	(8,499)	(10,397)
Net defined benefit liability and assets reported on the consolidated balance sheets	370,468	443,671

(5) Breakdown of retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Service cost (Note 1)	32,951	31,801
Interest cost	27,276	25,764
Expected return on plan assets	(44,527)	(43,003)
Amortization of actuarial gain and loss	15,218	18,153
Amortization of past service cost	(3,373)	(2,666)
Other	348	679
Retirement benefit expenses for defined benefit plans	27,893	30,728

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

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥39,832 million for the prior fiscal year and ¥15,422 million for the current fiscal year were accounted for as "Special addition to retirement benefits" under "Special losses" in the consolidated statements of income.

(6) Remeasurements of defined benefit plans

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Past service cost	(1,446)	(2,684)
Actuarial gain and loss	(24,867)	(75,580)
Total	(26,313)	(78,264)

(7) Remeasurements of defined benefit plans

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Unrecognized past service cost	6,477	3,793
Unrecognized actuarial gain and loss	(199,170)	(274,750)
Total	(192,693)	(270,957)

(8) Matters regarding plan assets

①Major components of plan assets

Plan assets consist of the following.

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Stocks	42%	41%
Bonds	37%	38%
Cash and deposits	1%	1%
Real estate (including REITs)	8%	7%
Other	12%	13%
Total	100%	100%

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 2.2% for the prior year and 1.7% for the current fiscal year.

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

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

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

(9) Assumptions used in actuarial calculations

Major assumptions used in actuarial calculations

Domestic companies

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Discount rates	0.1%–0.7%	0.2%–0.7%
Long-term expected rates of return on plan assets	Mainly 4.0%	Mainly 4.0%
Expected future salary increase	2.4%–5.5%	1.8%–4.2%

Foreign companies

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Discount rates	1.0%–4.1%	0.5%–3.5%
Long-term expected rates of return on plan assets (US GAAP adoption companies only)	Mainly 8.0%	Mainly 8.0%
Expected future salary increase	2.5%–6.0%	2.5%–6.5%

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥19,849 million for the prior fiscal year and ¥19,823 million for the current fiscal year.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Deferred tax assets:		
Net operating loss carry forwards (*2)	237,880	232,464
Impairment loss	20,294	155,372
Net defined benefit liability	107,404	130,843
Deferred tax credit	71,791	103,224
Research and development expenses	70,818	80,042
Sales incentives	82,489	78,886
Accrued warranty costs	88,047	69,015
Allowance for doubtful receivable	41,610	51,756
Loss for residual value risk of leased vehicles	45,983	44,708
Service costs	23,662	41,312
Allowance for bonus	18,528	17,436
Excess depreciation	17,262	16,043
Other	233,463	260,875
Total gross deferred tax assets	1,059,231	1,281,976
Valuation allowance for net operating loss carry forwards (*2)	(100,485)	(181,148)
Valuation allowance for the sum of deductible temporary differences, etc.	(87,487)	(297,784)
Valuation allowance (*1)	(187,972)	(478,932)
Total deferred tax assets	871,259	803,044
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(653,735)	(639,592)
Difference between cost of investments and their underlying net equity at fair value on land	(52,296)	(51,002)
Other	(178,459)	(127,866)
Total deferred tax liabilities	(884,490)	(818,460)
Net deferred tax assets	(13,231)	(15,416)

(*1) In response to the updated future volume projections focusing on "rationalizing the business" and "prioritize and focus", the Group reviewed the recoverability of deferred tax assets. As a result, the valuation allowance increased. The impact of COVID-19 was considered in the review of the recoverability of deferred tax assets.

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

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

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

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

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

Current fiscal year (As of March 31, 2020) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	5,892	18,590	18,480	27,294	36,458	125,750	232,464
Valuation allowance	(5,619)	(13,336)	(14,599)	(18,607)	(27,081)	(101,906)	(181,148)
Deferred tax assets (b)	273	5,254	3,881	8,687	9,377	23,844	51,316

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

(b) Deferred tax assets of ¥51,316 million were recognized for the balance of net operating loss carry forwards of ¥232,464 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Effective statutory tax rate of the Company	30.6%	Because loss before income taxes and minority interests was recorded for the current fiscal year, there is no information to be disclosed here.
(Reconciliation)		
・ Different tax rates applied to foreign consolidated subsidiaries	(2.7%)	
・ Tax credits	(4.9%)	
・ Change in valuation allowance	10.5%	
・ Equity in gain and loss of affiliates	(14.0%)	
・ Undistributed retained earnings of foreign consolidated subsidiaries	3.1%	
・ Reduction in year-end deferred tax assets and deferred tax liabilities due to tax rate change	0.2%	
・ Other	5.6%	
Effective tax rates after adoption of tax-effect accounting	28.4%	

(For assets retirement obligations)

Prior fiscal year (As of March 31, 2019)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2020)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.
For the fiscal year ended March 31, 2019, net income from rental property amounted to ¥4,851 million and net gain on sales of rental property amounted to ¥1,742 million. For the fiscal year ended March 31, 2020, net income from rental property amounted to ¥5,840 million and net gain on sales of rental property amounted to ¥116 million.

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

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Carrying value		
Balance at the beginning of the year	110,477	110,331
Increase/Decrease during the year	(146)	1,164
Balance at the end of the year	110,331	111,495
Fair value at the end of the year	116,150	119,994

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

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

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

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

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

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

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

3. Changes to reportable segments and others

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

As stated in "Changes in accounting policies," at foreign subsidiaries and affiliates, IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted from the beginning of the fiscal year ended March 31, 2020.

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

In adopting the accounting standards, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the fiscal year ended March 31, 2020. The effects of these revisions on segment profits for the fiscal year ended March 31, 2020 are immaterial.

As a result, on the summarized consolidated balance sheets by business segments, mainly, property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the fiscal year ended March 31, 2020 increased by ¥75,826 million, ¥11,829 million, and ¥70,648 million, respectively, while retained earnings and non-controlling interests included in net assets decreased by ¥3,450 million and ¥79 million, respectively, in Automobile & Eliminations. Further, mainly, property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the fiscal year ended March 31, 2020 increased by ¥1,586 million, ¥490 million, and ¥1,510 million, respectively, while retained earnings decreased by ¥414 million in Sales financing.

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

As stated in "Changes in accounting policies," at some foreign subsidiaries and affiliates, IFRIC 23 "*Uncertainty over Income Tax Treatments*" (June 7, 2017) has been adopted from the beginning of the fiscal year ended March 31, 2020.

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

In adopting the accounting standard, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the fiscal year ended March 31, 2020. In addition, there is no effect on the segment profits for the fiscal year ended March 31, 2020.

As a result, in Automobile & Eliminations, the balance of income tax payables at the beginning of the fiscal year ended March 31, 2020 increased by ¥12,682 million, the balances of retained earnings and deferred tax liabilities at the beginning of the fiscal year ended March 31, 2020 decreased by ¥10,489 million and ¥2,193 million, respectively. In addition, net loss attributable to owners of parent for the fiscal year ended March 31, 2020 decreased by ¥9,045 million in Automobile & Eliminations.

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

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

(Millions of yen)

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

Note 1: Consolidated financial statements by business segments

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

(1) Summarized consolidated balance sheets by business segments

(Millions of yen)

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

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

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

(2) Summarized consolidated statements of income by business segments

(Millions of yen)

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

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

(Millions of yen)

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

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

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

Note 2: Net sales and profits or losses by region

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

(Millions of yen)

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

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

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

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

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

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

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2020
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	8,766,016	1,112,850	9,878,866	—	9,878,866
Inter-segment sales or transfers	149,894	50,427	200,321	(200,321)	—
Total	8,915,910	1,163,277	10,079,187	(200,321)	9,878,866
Segment profits (loss)	(264,182)	210,530	(53,652)	13,183	(40,469)
Segment assets	7,872,165	9,852,843	17,725,008	(748,299)	16,976,709
Other items					
Depreciation and amortization expense	365,836	500,079	865,915	—	865,915
Amortization of goodwill	1,681	—	1,681	—	1,681
Interest expense (Cost of sales)	—	212,551	212,551	(22,609)	189,942
Investment amounts to equity method companies	1,035,363	14,486	1,049,849	—	1,049,849
Increase amounts of fixed assets and intangible fixed assets	484,063	1,082,408	1,566,471	—	1,566,471

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statements of income and summarized consolidated statements of cash flows consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), other 11 companies and the sales finance operations of Nissan Canada, Inc. (Canada).
- The financial data on Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,295,096	87,375	1,382,471
Trade notes and accounts receivable	355,287	869	356,156
Sales finance receivables	(115,207)	6,854,543	6,739,336
Inventories	1,277,066	63,357	1,340,423
Other current assets	562,761	294,792	857,553
Total current assets	3,375,003	7,300,936	10,675,939
II. Fixed assets			
Property, plant and equipment, net	2,107,217	2,411,633	4,518,850
Investment securities	1,170,336	6,848	1,177,184
Other fixed assets	471,310	133,426	604,736
Total fixed assets	3,748,863	2,551,907	6,300,770
Total assets	7,123,866	9,852,843	16,976,709
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,333,922	23,125	1,357,047
Short-term borrowings	248,815	4,409,587	4,658,402
Lease obligations	35,103	469	35,572
Other current liabilities	1,568,349	445,876	2,014,225
Total current liabilities	3,186,189	4,879,057	8,065,246
II. Long-term liabilities			
Bonds	83,048	959,906	1,042,954
Long-term borrowings	(8,538)	2,107,096	2,098,558
Lease obligations	71,478	1,016	72,494
Other long-term liabilities	716,076	556,608	1,272,684
Total long-term liabilities	862,064	3,624,626	4,486,690
Total liabilities	4,048,253	8,503,683	12,551,936
Net assets			
I. Shareholders' equity			
Common stock	383,649	222,165	605,814
Capital surplus	645,300	172,756	818,056
Retained earnings	3,127,476	997,567	4,125,043
Treasury stock	(139,262)	—	(139,262)
Total shareholders' equity	4,017,163	1,392,488	5,409,651
II. Accumulated other comprehensive income			
Translation adjustments	(910,992)	(135,168)	(1,046,160)
Others	(273,822)	(25,380)	(299,202)
Total accumulated other comprehensive income	(1,184,814)	(160,548)	(1,345,362)
III. Non-controlling interests	243,264	117,220	360,484
Total net assets	3,075,613	1,349,160	4,424,773
Total liabilities and net assets	7,123,866	9,852,843	16,976,709

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 ¥444,405 million.

(2) Summarized consolidated statements of income by business segments

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2019 To March 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	8,715,589	1,163,277	9,878,866
Cost of sales	7,671,103	771,802	8,442,905
Gross profit	1,044,486	391,475	1,435,961
Operating income as a percentage of net sales	(2.9)%	18.1%	(0.4)%
Operating income (loss)	(250,999)	210,530	(40,469)
Financial income / expenses, net	17,697	(21)	17,676
Other non-operating income and expenses, net	68,450	(1,608)	66,842
Ordinary income (loss)	(164,852)	208,901	44,049
Income (loss) before income taxes	(776,081)	203,059	(573,022)
Net income (loss) attributable to owners of parent	(815,709)	144,493	(671,216)

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

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2019 To March 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(776,081)	203,059	(573,022)
Depreciation and amortization	365,836	500,079	865,915
Decrease (increase) in sales finance receivables	(20,277)	687,547	667,270
Others	218,048	7,643	225,691
Net cash provided by (used in) operating activities	(212,474)	1,398,328	1,185,854
II. Cash flows from investing activities			
Purchase of investment securities	(11,776)	—	(11,776)
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	1,746	—	1,746
Purchase of fixed assets	(451,835)	(12,384)	(464,219)
Proceeds from sales of fixed assets	31,600	17,642	49,242
Purchase of leased vehicles	—	(1,114,850)	(1,114,850)
Proceeds from sales of leased vehicles	—	743,759	743,759
Others	1,724	85,687	87,411
Net cash provided by (used in) investing activities	(428,541)	(280,146)	(708,687)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	449,788	59,429	509,217
Net change in long-term borrowings and redemption of bonds	121,107	(755,512)	(634,405)
Proceeds from issuance of bonds	18,048	142,076	160,124
Others	258,612	(449,042)	(190,430)
Net cash provided by (used in) financing activities	847,555	(1,003,049)	(155,494)
IV. Effect of exchange rate changes on cash and cash equivalents	(27,774)	(16,180)	(43,954)
V. Increase (decrease) in cash and cash equivalents	178,766	98,953	277,719
VI. Cash and cash equivalents at the beginning of the period	1,309,580	49,478	1,359,058
VII. Increase due to inclusion in consolidation	6,204	—	6,204
VIII. Cash and cash equivalents at the end of the period	1,494,550	148,431	1,642,981

Notes:1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥234,847 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 ¥145,258 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2019 To March 31, 2020)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	2,143,357	4,713,660	1,283,945	890,274	847,630	9,878,866	—	9,878,866
(2) Inter-segment sales	1,841,139	426,895	195,009	464,557	36,280	2,963,880	(2,963,880)	—
Total	3,984,496	5,140,555	1,478,954	1,354,831	883,910	12,842,746	(2,963,880)	9,878,866
Operating income (loss)	(51,671)	(15,937)	(29,040)	39,097	(3,965)	(61,516)	21,047	(40,469)

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

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

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

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

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

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

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

Related information

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

1. Information by product and service

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

2. Information by geographical area

(1) Net sales

(Millions of yen)

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

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

(2) Property, plant and equipment

(Millions of yen)

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

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

3. Information by major customer

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

1. Information by product and service

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

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,727,634	4,612,528	3,786,604	1,429,733	1,101,675	1,007,296	9,878,866

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, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,585,923	2,641,836	2,172,577	81,985	167,679	41,427	4,518,850

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

3. Information by major customer

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

Information about the impairment loss on fixed assets by reportable segments

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

(Millions of yen)

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	540,642	—	540,642	—	540,642

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

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

(Millions of yen)

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,681	—	1,681	—	1,681
Balance at the end of the year	4,644	—	4,644	—	4,644

Information about the gain recognized on negative goodwill by reportable segments

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

This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2019 To March 31, 2020)

This information is not provided due to its low materiality.

(Information of related parties)

1. Transactions with related parties

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

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

Not applicable.

2. Notes on the parent company and significant affiliates

Condensed financial information of significant affiliates:

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

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020)

Combined and condensed financial information (from January 1, 2019 to December 31, 2019) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the prior fiscal year, is as follows.

Total current assets	¥10,613,818 million
Total fixed assets	¥6,670,305 million
Total current liabilities	¥10,128,332 million
Total long-term liabilities	¥1,894,990 million
Total net assets	¥5,260,800 million
Net sales	¥9,740,847 million
Income before income taxes	¥534,407 million
Net income	¥216,361 million

(Amounts per share)

(Yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Net assets per share	1,355.18	1,038.95
Basic earnings (loss) per share	81.59	(171.54)
Diluted earnings per share	81.59	—

Notes: 1. The information on “Diluted earnings per share” for the current fiscal year is not presented because a net loss per share was recorded although potential dilutive stock existed.

2. As stated in “Changes in accounting policies,” the Company adopted the International Financial Reporting Standards (IFRS) 16, “*Leases*” and Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, “*Leases,*” and applied the transitional treatment stipulated in said standards.

This change has caused a decrease of ¥0.99 in net assets per share for the fiscal year ended March 31, 2020. The effects of these revisions on basic loss per share for the fiscal year ended March 31, 2020 are immaterial.

3. As stated in “Changes in accounting policies,” the Company adopted the International Financial Reporting Interpretations Committee (IFRIC) 23, *“Uncertainty over Income Tax Treatments,”* and applied the transitional treatment stipulated in said standards.

This change has caused a decrease of ¥0.37 in net assets per share and an increase of ¥2.31 in basic loss per share for the fiscal year ended March 31, 2020.

4. The basis for calculation of the basic earnings (loss) per share and the diluted earnings per share is as follows.

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Basic earnings (loss) per share: Net income (loss) attributable to owners of parent (Millions of yen)	319,138	(671,216)
Net income (loss) attributable to owners of parent relating to common stock (Millions of yen)	319,138	(671,216)
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,911,716	3,912,975
Diluted earnings per share: Increase in shares of common stock (Thousands of shares)	4	—
(Exercise of share subscription rights (Thousands of shares))	4	—
Securities excluded from the computation of diluted earnings per share because they do not have dilutive effects.	—	—

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Total net assets (Millions of yen)	5,623,510	4,424,773
Amounts deducted from total net assets (Millions of yen)	320,835	360,484
(Share subscription rights (Millions of yen))	—	—
(Non-controlling interests (Millions of yen))	320,835	360,484
Net assets attributable to shares of common stock at year end (Millions of yen)	5,302,675	4,064,289
The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares)	3,912,904	3,911,914

(Significant subsequent events)

Taking into consideration its funding plans, which take into account the risk that COVID-19 will have a prolonged impact, and market trends, the Company and its subsidiaries raised funds in an aggregate amount of ¥832,577 million (including £597 million and $500 million) with multiple financial institutions after April 2020. The interest rates under funding agreements are approximately the same as prevailing market rates, and the tenors of the funding are, on average, around two years. None of these agreements have collateral or other material covenant provisions.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

Company	Description	Date of Issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
*1	53rd unsecured bonds (Note 2)	April 28, 2010	20,000	(20,000) 20,000	1.744	None	April 28, 2020
*1	56th unsecured bonds	April 25, 2013	10,000	—	0.554	None	March 19, 2020
*1	58th unsecured bonds	April 25, 2014	20,000	20,000	0.779	None	March 19, 2024
*1	59th unsecured bonds (Note 2)	April 15, 2016	80,000	(80,000) 80,000	0.15	None	March 19, 2021
*1	60th unsecured bonds	April 15, 2016	25,000	25,000	0.22	None	March 20, 2023
*1	61st unsecured bonds	April 15, 2016	20,000	20,000	0.33	None	March 19, 2026
*1	62nd unsecured bonds	December 6, 2019	—	18,048	Euribor 3M+0.55	None	December 6, 2021
*2	Bonds issued by subsidiaries (Note 2)	2014 - 2018	465,000	(155,000) 315,000	0.001 – 0.335	None	2020 - 2023
*3	Bonds issued by subsidiaries (Note 2)	2016 - 2019	1,154,038 [$10,397,678 thousand]	(315,569) [$2,899,652 thousand] 924,919 [$8,498,749 thousand]	1.26 – 3.88	None	2020 - 2025
*3	Bonds issued by subsidiaries (Note 2)	2017 - 2019	62,800 [MXN 10,940,800 thousand]	(23,490) [MXN 5,140,000 thousand] 34,915 [MXN 7,640,000 thousand]	7.74 – 9.05	None	2020 - 2022
*3	Bonds issued by subsidiaries (Note 2)	2016 - 2018	206,600 [CAD 2,499,999 thousand]	(103,410) [CAD 1,350,000 thousand] 141,710 [CAD 1,850,000 thousand]	1.750 – 3.150	None	2020 - 2021
*3	Bonds issued by subsidiaries (Note 2)	2018	74,708 [AUD 950,000 thousand]	(13,218) [AUD 200,000 thousand] 13,218 [AUD200,000 thousand]	3.00	None	2021
*3	Bonds issued by subsidiaries (Note 2)	2017 - 2019	137,155 [CNY 8,487,290 thousand]	(54,845) [CNY 3,500,000 thousand] 195,676 [CNY 12,487,329 thousand]	3.58 – 4.95	None	2020 - 2022
Total (Note 2)		—	2,275,301	(765,532) 1,808,486	—		—

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

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

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2020 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
765,532	474,924	423,081	99,375	9,794

Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year	Average interest rate (%)	Maturity
Short-term borrowings	447,027	736,998	2.21	―
Nonrecourse short-term borrowings	403,968	602,951	2.37	―
Current portion of long-term borrowings	626,900	876,413	1.89	―
Current portion of nonrecourse long-term borrowings	1,003,871	950,491	2.45	―
Commercial papers	697,549	726,017	0.98	―
Current portion of lease obligations	19,846	35,572	1.50	―
Long-term borrowings (excluding current portion)	1,572,206	1,208,509	2.00	April 2021 to August 2039
Nonrecourse long-term borrowings (excluding current portion)	966,980	890,049	2.23	April 2021 to August 2026
Lease obligations (excluding current portion)	16,038	72,494	3.28	April 2021 to August 2057
Total	5,754,385	6,099,494	―	―

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

2. As stated in "Changes in accounting policies," at foreign subsidiaries and affiliates, IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted from the beginning of the fiscal year ended March 31, 2020. Liabilities corresponding to the right-of-use assets which was recognized in line with this adaption were included in Current portion of lease obligations and Lease obligations (excluding current portion) balance at the end of the fiscal year ended March 31, 2020.

3. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2020.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	668,521	261,707	147,049	109,460
Nonrecourse long-term borrowings	664,013	166,379	48,016	8,584
Lease obligations	21,089	10,505	7,475	7,619

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2020 were less than one hundredth (1%) of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2020.

(2) Other

Quarterly financial information for the fiscal year ended March 31, 2020

(Millions of yen)

Cumulative period	1st Quarter (Three months ended June 30, 2019)	2nd Quarter (Six months ended September 30, 2019)	3rd Quarter (Nine months ended December 31, 2019)	4th Quarter (Fiscal year ended March 31, 2020)
Net sales	2,372,422	5,003,075	7,507,286	9,878,866
Income (loss) before income taxes	26,875	104,719	114,470	(573,022)
Net income (loss) attributable to owners of parent	6,377	65,365	39,273	(671,216)
Basic earnings (loss) per share (Yen)	1.63	16.70	10.04	(171.54)

Each quarter	1st Quarter (From April 1, 2019 To June 30, 2019)	2nd Quarter (From July 1, 2019 To September 30, 2019)	3rd Quarter (From October 1, 2019 To December 31, 2019)	4th Quarter (From January 1, 2020 To March 31, 2020)
Basic earnings (loss) per share (Yen)	1.63	15.07	(6.67)	(181.58)

Significant lawsuits, etc. relating to operating and other matters

Mainly in the United States ("U.S.") and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata's airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. The lawsuits allege that the subject airbag inflators did not function properly, and seek, among others, damages for economic losses including incurred costs, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive compensation. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation ("MDL"). The Company and Nissan North America, Inc. ("NNA") have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. In September 2017, the court in the MDL granted preliminary approval to the proposed settlement. The total payment amount for the settlement will be $87.9 million to be paid over four years. In February 2018, the court in MDL granted final approval to the proposed settlement. At present, lawsuits other than the above are still in progress, and as it is not possible to reasonably estimate the amount, if any, of any potential future losses, no provision for losses on such contingencies has been provided.

2. Non-Consolidated Financial Statements

(1) Non-consolidated financial statements

① Non-consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2019)		Current fiscal year (As of March 31, 2020)
Assets				
Current assets				
Cash on hand and in banks		265,945		453,261
Trade accounts receivable	※1	306,571	※1	232,463
Finished goods		67,340		76,990
Work in process		29,379		35,255
Raw materials and supplies		114,344		118,375
Prepaid expenses		66,345		35,659
Short-term loans receivable from subsidiaries and affiliates		654,983		264,475
Accounts receivable - other	※1	200,241	※1	197,812
Other	※1	33,595	※1	25,422
Allowance for doubtful accounts		(19,528)		(61,368)
Total current assets		1,719,218		1,378,346
Fixed assets				
Property, plant and equipment				
Buildings		210,069		216,512
Structures		28,344		27,746
Machinery and equipment		154,487		157,152
Vehicles		9,046		8,373
Tools, furniture and fixtures		87,301		87,605
Land		126,872		126,516
Construction in progress		22,812		60,149
Total property, plant and equipment		638,935		684,057
Intangible fixed assets		68,774		72,121
Investments and other assets				
Investment securities		135,381		81,790
Investments in subsidiaries and affiliates		2,079,040		2,113,247
Long-term loans receivable from subsidiaries and affiliates		307,820		409,219
Deferred tax assets		150,294		82,818
Other		24,832		32,680
Allowance for doubtful accounts		(260)		(257)
Total investments and other assets		2,697,109		2,719,497
Total fixed assets		3,404,818		3,475,676
Total assets		5,124,037		4,854,023

(Millions of yen)

		Prior fiscal year (As of March 31, 2019)		Current fiscal year (As of March 31, 2020)
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	※1	285,529	※1	269,054
Trade accounts payable	※1	459,648	※1	423,732
Short-term borrowings	※1	571,937	※1	890,579
Current portion of long-term borrowings		45,045		52,649
Commercial papers		135,000		280,000
Current portion of bonds		10,000		100,000
Lease obligations	※1	15,600	※1	18,855
Accounts payable-other	※1	53,485	※1	50,891
Accrued expenses	※1	380,251	※1	312,255
Income taxes payable		2,750		—
Advances received		90,536		41,800
Deposits received	※1	61,348	※1	65,924
Accrued warranty costs		19,210		19,838
Other		4,837		8,721
Total current liabilities		2,135,181		2,534,302
Long-term liabilities				
Bonds		165,000		83,048
Long-term borrowings		123,297		70,000
Long-term borrowings from subsidiaries and affiliates		56,052		53,797
Lease obligations	※1	21,113	※1	17,827
Accrued warranty costs		34,383		35,014
Accrued retirement benefits		65,961		70,393
Provision for loss on business of subsidiaries and affiliates		—		17,909
Other	※1	17,102	※1	13,120
Total long-term liabilities		482,909		361,110
Total liabilities		2,618,091		2,895,413

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Net assets		
Shareholders' equity		
Common stock	605,813	605,813
Capital surplus		
Legal capital surplus	804,470	804,470
Other capital surplus	184	184
Total capital surplus	804,654	804,654
Retained earnings		
Legal reserve	53,838	53,838
Other retained earnings		
Reserve for reduction of replacement cost of specified properties	54,416	54,079
Reserve for special depreciation	9	10
Unappropriated retained earnings	991,381	487,569
Total retained earnings	1,099,646	595,498
Treasury stock	(28,752)	(28,754)
Total shareholders' equity	2,481,362	1,977,211
Valuation, translation adjustments and others		
Unrealized holding gain and loss on securities	24,752	(18,601)
Unrealized gain and loss from hedging instruments	(169)	—
Total valuation, translation adjustments and others	24,583	(18,601)
Total net assets	2,505,945	1,958,610
Total liabilities and net assets	5,124,037	4,854,023

② Non-consolidated statement of income

(Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)		Current fiscal year (From April 1, 2019 To March 31, 2020)	
Net sales	※1	3,644,483	※1	3,157,540
Cost of sales	※1	3,233,986	※1	2,928,822
Gross profit		410,497		228,717
Selling, general and administrative expenses	※1,※2	363,091	※1,※2	358,777
Operating income (loss)		47,405		(130,060)
Non-operating income				
Interest income	※1	4,923	※1	4,628
Dividends income	※1	212,363	※1	186,316
Guarantee commission received	※1	20,312	※1	19,563
Derivative gain		1,976		—
Reversal of allowance for doubtful accounts		74		177
Other	※1	3,394	※1	2,516
Total non-operating income		243,045		213,202
Non-operating expenses				
Interest expense	※1	7,238	※1	8,029
Derivative loss		—		4,272
Exchange loss		136		1,320
Provision for doubtful accounts		9,128		40,965
Other	※1	2,078	※1	1,984
Total non-operating expenses		18,581		56,571
Ordinary income		271,869		26,571
Special gains				
Gain on sales of fixed assets		4,110		26
Gain on sales of business		13,891		—
Gain on sales of investment securities		—		102
Other		157		—
Total special gains		18,159		129
Special losses				
Loss on sales of fixed assets		469		129
Loss on disposal of fixed assets		8,760		11,369
Impairment loss		1,018		2,995
Loss on valuation of shares of subsidiaries and affiliates		84,916		246,301
Provision for loss on business of subsidiaries and affiliates		—		17,909
Other		723		6,329
Total special losses		95,888		285,035
Income (loss) before income taxes		194,140		(258,334)
Income taxes-current		39,087		6,713
Income taxes-deferred		(13,499)		77,696
Total income taxes		25,587		84,410
Net income (loss)		168,552		(342,745)

③ Non-consolidated statement of changes in net assets

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

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

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

Current fiscal year (From April 1, 2019 To March 31, 2020) (Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	184	804,654	53,838	54,416	9	991,381	1,099,646
Changes of items during the period									
Cash dividends paid								(161,402)	(161,402)
Provision of reserve for reduction of replacement cost of specified properties						6		(6)	—
Reversal of reserve for reduction of replacement cost of specified properties						(343)		343	—
Provision of reserve for special depreciation							3	(3)	—
Reversal of reserve for special depreciation							(2)	2	—
Net loss								(342,745)	(342,745)
Purchase of treasury stock									
Net changes of items other than those in shareholders' equity									
Total changes of items during the period						(337)	1	(503,812)	(504,148)
Balance at the end of current period	605,813	804,470	184	804,654	53,838	54,079	10	487,569	595,498

	Shareholders' equity		Valuation, translation adjustments and others			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others	
Balance at the beginning of current period	(28, 1 752)	2,481,362	24,752	(169)	24,583	2,505,945
Changes of items during the period						
Cash dividends paid		(161,402)				(161,402)
Provision of reserve for reduction of replacement cost of specified properties						—
Reversal of reserve for reduction of replacement cost of specified properties						—
Provision of reserve for special depreciation						—
Reversal of reserve for special depreciation						—
Net loss		(342,745)				(342,745)
Purchase of treasury stock	(2)	(2)				(2)
Net changes of items other than those in shareholders' equity			(43,354)	169	(43,184)	(43,184)
Total changes of items during the period	(2)	(504,150)	(43,354)	169	(43,184)	(547,335)
Balance at the end of current period	(28,754)	1,977,211	(18,601)	—	(18,601)	1,958,610

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

1. Valuation methods for securities

(1) Held-to-maturity securities
Held-to-maturity securities are stated at amortized cost (straight-line method).

(2) Equity securities issued by subsidiaries and affiliates
Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.

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

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

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

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

5. Foreign currency translation

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

6. Basis for reserves

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

7. Hedge accounting

(1) Hedge accounting

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

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

(2) Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

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

(3) Hedging policy

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

(4) Assessment of hedge effectiveness

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

8. Other significant accounting policies

(1) Accounting for retirement benefit

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

(2) Accounting for the consumption taxes

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

(3) Adoption of consolidated taxation system

The Company adopts the consolidated taxation system.

(4) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company has been adopted *“Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System”* (PITF No. 39, March 31, 2020) and deferred tax assets and liabilities are based on tax law provisions in place prior to the revision prescribing transition from the consolidated taxation system to the group tax sharing system (Act No. 8 of 2020).

(Additional information)

The Group assumes that the impact of COVID-19 will continue for a period of time. For FY2020, we currently estimate global TIV to decline by approximately 15 to 20% from FY2019. In consideration of the effect, impairment losses, etc. were recorded at consolidated subsidiaries, and the Company recorded loss on valuation of shares of subsidiaries and affiliates, allowance for doubtful accounts, and provision for loss on business of subsidiaries and affiliates.
However, there are many uncertainties over the impact of COVID-19, which may have a material effect on the Group's financial position and operating results for the fiscal year ending March 31, 2021.

(For non-consolidated balance sheets)

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Short-term monetary receivables	379,995	308,226
Short-term monetary payables	958,394	1,111,979
Long-term monetary payables	10,951	9,819

2 Guarantees and others

Prior fiscal year (As of March 31, 2019)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※ 25,934	Guarantees for employees' housing loans
NISSAN MOTOR MANUFACTURING (UK) LIMITED	6,698	Guarantees for loans to purchase fixed assets
Nissan (South Africa) Proprietary Limited	838	Guarantees for loans for working capital
Nissan North America, Inc.	262	Guarantees for loans to purchase fixed assets
10 domestic dealers	385	Guarantees for loans for working capital
Total	34,119	※Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

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

(3) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2019 were as follows.

Company name	Balance of liabilities (Millions of yen)
Nissan Motor Acceptance Corporation	4,691,104
NISSAN FINANCIAL SERVICES CO. , LTD.	883,000
Nissan Financial Services Australia Pty Ltd	390,290
Nissan Canada Financial Services Inc.	285,438
Nissan Canada, Inc.	148,634
Nissan Leasing (Thailand) Co., Ltd.	111,088
Nissan Financial Services New Zealand Pty Ltd	27,864
Total	6,537,420

Current fiscal year (As of March 31, 2020)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	※ 21,606	Guarantees for employees' housing loans
NISSAN MOTOR MANUFACTURING (UK) LIMITED	5,639	Guarantees for loans to purchase fixed assets
Nissan (South Africa) Proprietary Limited	457	Guarantees for loans for working capital
Nissan North America, Inc.	130	Guarantees for loans to purchase fixed assets
Total	27,833	※Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	25	Commitments to provide guarantees for loans

(3) Keepwell Agreements

In addition to the above, the Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2020 were as follows.

Company name	Balance of liabilities (Millions of yen)
Nissan Motor Acceptance Corporation	4,330,218
NISSAN FINANCIAL SERVICES CO. , LTD.	851,600
Nissan Canada, Inc.	384,959
Nissan Financial Services Australia Pty Ltd	321,726
Nissan Leasing (Thailand) Co., Ltd.	111,758
Nissan Financial Services New Zealand Pty Ltd	24,285
Total	6,024,548

(For non-consolidated statement of income)

1 ※1 Transactions with subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Operating transactions:		
Sales	3,090,500	2,566,095
Operating expenses	1,547,071	1,291,563
Non-operating transactions	253,140	228,829

2 ※2 Major components of selling, general and administrative expenses are as follows. (Millions of yen)

	Prior fiscal year (From April 1, 2018 To March 31, 2019)	Current fiscal year (From April 1, 2019 To March 31, 2020)
Service costs	61,257	55,934
Provision for accrued warranty costs	15,722	22,149
Other selling expenses	55,051	54,385
Salaries and wages	85,467	79,444
Retirement benefit expenses	2,224	2,871
Outsourcing expenses	48,395	41,931
Depreciation and amortization	20,029	20,762
Provision for doubtful accounts	(1,999)	1,157

Selling expenses account for approximately 40% of the selling, general and administrative expenses in the current fiscal year, which is almost unchanged from the prior fiscal year.

(For securities)
Investments in subsidiaries and affiliates

Prior fiscal year (As of March 31, 2019)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	174,373	160,264
② Affiliates' shares	237,361	297,892	60,531
Total	251,471	472,266	220,795

Current fiscal year (As of March 31, 2020)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	162,001	147,892
② Affiliates' shares	237,361	155,025	(82,335)
Total	251,471	317,027	65,556

Note: The amounts of investments in subsidiaries and affiliates recorded in the non-consolidated balance sheets for which it is deemed difficult to measure the fair value.

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
① Subsidiaries' shares	1,807,848	1,839,747
② Affiliates' shares	19,720	22,029

These shares are not included in above "Investments in subsidiaries and affiliates" because they do not have a market value and their fair value is not easily determinable.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Deferred tax assets:		
Loss on valuation of securities	49,144	124,463
Research and development expenses	70,818	80,042
Accrued expenses	39,803	38,950
Accrued retirement benefits	27,968	27,922
Net operating loss carry forwards	—	24,376
Allowance for doubtful accounts	5,986	19,015
Accrued warranty costs	16,388	16,773
Other	34,338	59,195
Total gross deferred tax assets	244,447	390,739
Valuation allowance for net operating loss carry forwards	—	(24,376)
Valuation allowance for the sum of deductible temporary differences, etc.	(58,845)	(258,081)
Total valuation allowance	(58,845)	(282,458)
Total deferred tax assets	185,601	108,281
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law	(23,972)	(23,827)
Income enterprise tax receivable	—	(595)
Other	(11,334)	(1,040)
Total deferred tax liabilities	(35,306)	(25,463)
Net deferred tax assets	150,294	82,818

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

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Effective statutory tax rate of the Company	30.6%	30.6%
(Reconciliation)		
Items not permanently qualifying for deduction	2.8%	Not presented due to the recording of a loss before income taxes.
Dividends income excluded from gross revenue	(31.1%)	
Tax credits	(7.9%)	
Change in valuation allowance	13.3%	
Foreign withholding tax	6.8%	
Other	(1.3%)	
Effective tax rate after adoption of tax-effect accounting	13.2%	

(Significant subsequent events)

Taking into consideration its funding plans, which take into account the risk that COVID-19 will have a prolonged impact, and market trends, the Company raised funds in an aggregate amount of ¥459,442 million (including £597 million) with multiple financial institutions after April 2020. The interest rates under the funding agreements are approximately the same as prevailing market rates, and the tenors of the funding are, on average, around two years. None of these agreements have collateral or other material covenant provisions.

In addition to above, the Company provided a guarantee for a ¥200,000 million loan that Nissan Motor Acceptance Corporation received.

④ Non-consolidated supplemental schedules

Detailed schedule of fixed assets

(Millions of yen)

Category	Type of assets	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Depreciation or amortization for the current fiscal year	Balance at the end of the current fiscal year	Accumulated depreciation or amortization
Property, plant and equipment	Buildings	210,069	17,211	1,206 (726)	9,562	216,512	316,075
	Structures	28,344	1,444	129 (32)	1,912	27,746	81,357
	Machinery and equipment	154,487	30,135	1,923 (323)	25,547	157,152	767,139
	Vehicles	9,046	3,318	917	3,074	8,373	20,241
	Tools, furniture and fixtures	87,301	32,062	769 (33)	30,989	87,605	227,838
	Land	126,872	272	628 (624)	—	126,516	—
	Construction in progress	22,812	57,467	20,130 (83)	—	60,149	—
	Total	638,935	141,913	25,704 (1,824)	71,086	684,057	1,412,652
Intangible fixed assets		68,774	29,911	8,753 (1,171)	17,810	72,121	207,058

Notes: 1. The figures in parentheses in the "Decrease in the current fiscal year" column represent the amounts of impairment loss included.
2. Details of major increases in the current fiscal year are as follows:

Construction in progress

Machinery and equipment	¥42,503 million
Tools, furniture and fixtures	¥9,228 million
Buildings	¥5,302 million
Structures	¥430 million
Vehicles	¥3 million

Detailed schedule of allowances

(Millions of yen)

Account	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Balance at the end of the current fiscal year
Allowance for doubtful accounts	19,789	42,104	268	61,626
Accrued warranty costs	53,593	21,456	20,197	54,852
Provision for loss on business of subsidiaries and affiliates	—	17,909	—	17,909

(2) Details of major assets and liabilities

This information is omitted because the Company prepares consolidated financial statements.

(3) Other

Not applicable.

6. Information on Transfer and Repurchase of the Company's Stock

Fiscal year	From April 1 To March 31
General meeting of shareholders	June
Record date for dividend	March 31
Record dates for dividend of surplus	September 30 and March 31
Number of shares per unit of the Company's stock	100 shares
Repurchase of stocks of less than a standard unit	
Address where repurchases are processed	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited.
Administrator of shareholders' register	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited.
Offices available for repurchase	—
Charges for repurchase	Handling charges as set by the securities companies designated by the Company for the repurchase plus the related consumption tax
Method of public notice	Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the *Nihon Keizai Shimbun.* The electronic public notice is presented on the Company's Web site at https://www.nissan-global.com/EN/IR/
Special benefits to shareholders	None

Note: According to the Company's Articles of Incorporation where the rights of shareholders holding stocks of less than a standard unit are prescribed, the holder of stocks of less than a standard unit shall not be entitled to exercise the rights of shareholders in connection with such below-unit shares other than those rights listed below:

(1) The rights stipulated in each item of Article 189, Paragraph 2, of the Corporate Law;
(2) The right to make a claim in accordance with Article 166, Paragraph 1, of the Corporate Law; and
(3) The right to subscribe for new shares or new share subscription rights in proportion to the number of the shares owned by said shareholder.

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7. Reference Information on the Company

1. Information on the parent company or equivalent of the Company

The Company has no parent company or equivalent as prescribed in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Law.

2. Other reference information

The Company filed the following documents between the beginning of the fiscal year ended March 31, 2020 and the date when this Securities Report *(Yukashoken-Hokokusho)* was filed.

(1)	Securities Report and Accompanying Documents and Confirmation Note	Fiscal Year (the 120th)	From April 1, 2018 To March 31, 2019	Submitted to the director of the Kanto Local Finance Bureau on June 27, 2019.
(2)	Internal Control Report	Fiscal Year (the 120th)	From April 1, 2018 To March 31, 2019	Submitted to the director of the Kanto Local Finance Bureau on June 27, 2019.
(3)	Quarterly Securities Reports and Confirmation Notes	(The 1st quarter of 121st period)	From April 1, 2019 To June 30, 2019	Submitted to the director of the Kanto Local Finance Bureau on July 29, 2019.
		(The 2nd quarter of 121st period)	From July 1, 2019 To September 30, 2019	Submitted to the director of the Kanto Local Finance Bureau on November 14, 2019.
		(The 3rd quarter of 121st period)	From October 1, 2019 To December 31, 2019	Submitted to the director of the Kanto Local Finance Bureau on February 14, 2020.
(4)	Extraordinary Reports An extraordinary report according to the provision of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9-2 (Matters that require a resolution of a general meeting of shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on February 20, 2020.
(5)	Extraordinary Report An extraordinary report according to the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9 (Change in Representative Executive Officer), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on September 11, 2019.
	An extraordinary report according to the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9 (Change in Representative Executive Officer), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on October 10, 2019.
	An extraordinary report according to the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 9 (Change in Representative Executive Officer), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on November 6, 2019.
(6)	Extraordinary Report An extraordinary report according to the provisions of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Law and Article 19, Paragraph 2, Item 12 and Item 19 (Material effect on the financial position, operating results and cash flows), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on May 28, 2020.
(7)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 116th)	From April 1, 2014 To March 31, 2015	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(8)	Amendment to Internal Control Report	Fiscal Year (the 116th)	From April 1, 2014 To March 31, 2015	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(9)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 117th)	From April 1, 2015 To March 31, 2016	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(10)	Amendment to Internal Control Report	Fiscal Year (the 117th)	From April 1, 2015 To March 31, 2016	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(11)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 118th)	From April 1, 2016 To March 31, 2017	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(12)	Amendment to Internal Control Report	Fiscal Year (the 118th)	From April 1, 2016 To March 31, 2017	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(13)	Amendment to Securities Report and Confirmation Note	Fiscal Year (the 119th)	From April 1, 2017 To March 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(14)	Amendment to Internal Control Report	Fiscal Year (the 119th)	From April 1, 2017 To March 31, 2018	Submitted to the director of the Kanto Local Finance Bureau on May 14, 2019.
(15)	Shelf Registration Statement and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on May 15, 2020.
(16)	Amended Shelf Registration Statements			Submitted to the director of the Kanto Local Finance Bureau on May 28, 2020.

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)
Independent Auditor’s Report

July 3, 2020

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC	
Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Takeshi Hori
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

<Financial statements audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. and its subsidiaries (the “Group”) included in “Financial Information” for the fiscal year from April 1, 2019 to March 31, 2020, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in net assets, and cash flows, significant accounting policies, other related notes, and the consolidated supplemental schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s and the Audit Committee’s Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for monitoring the performance of duties of executive officers and directors in implementing and maintaining the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

<Internal control audit>

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2020 of Nissan Motor Co., Ltd. ("Management's Report").

In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2020 of Nissan Motor Co., Ltd. is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and the Audit Committee's Responsibilities for Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor’s Responsibilities for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management’s Report is free from material misstatement, and to issue an auditor’s report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Perform audit procedures to obtain audit evidence relating to the result of management’s assessment of internal control over financial reporting in Management’s Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.

・Consider the overall presentation of Management’s Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.

・Obtain sufficient appropriate audit evidence regarding the result of management’s assessment of internal control over financial reporting in Management’s Report. We are responsible for the direction, supervision, and performance of the audit of Management’s Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies. We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Group which should be disclosed in accordance with the Certified Public Accountants Act.

Notes:

1. The above is a digitization of the text contained in the original copy of the Independent Auditors’ Report on Financial Statements and Internal Controls, which is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

(For Translation Purposes Only)
Independent Auditor's Report

July 3, 2020

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

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Law of Japan, we have audited the accompanying non-consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") included in "Financial Information" for the 121st fiscal year from April 1, 2019 to March 31, 2020, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in net assets, significant accounting policies, other related notes, and the non-consolidated supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2020, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and the Audit Committee's Responsibilities for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for monitoring the performance of duties of executive officers and directors in implementing and maintaining a financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

Notes:

1. The above is a digitization of the text contained in the original copy of the Independent Auditors' Report on Financial Statements and Internal Controls, which is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

【Cover】

【Document Submitted】	Internal Control Report (“Naibutousei-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-4, Paragraph 1, of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	July 6, 2020
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Basic Framework of Internal Control Over Financial Reporting

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd. (the “Company”) and Stephen Ma, Executive Officer, Chief Financial Officer have responsibility to design and operate internal controls over the Company’s financial reporting, and fulfill that responsibility in accordance with the basic framework set forth in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Internal control aims to ensure, to a reasonable extent, that all material individual components of internal control are integrated and function properly as a whole. Thus, internal control over financial reporting may not be able to completely prevent or detect financial reporting misstatements.

2. Scope of Assessment, Assessment Date and Assessment Procedure

An assessment of internal control over financial reporting was performed as of March 31, 2020 (i.e., the last day of the current fiscal year) in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, the management first assessed company-level controls that would have a material impact on the reliability of overall financial reporting on a consolidated basis. Company-level controls are controls that would have a material impact on the reliability of overall financial reporting on a consolidated basis, and are assessed by each basic element, which includes control environment, risk assessment and response, information and communication, monitoring, and IT Strategy. The assessments were also included in scope with regards to the segregation of authorities on human resources and compensation, Board of Directors’ effective supervision function, and the checking function over certain administrative departments since the Company adopted a three statutory committee format. Based on these results, the management then selected individual business processes to be assessed. In the selected individual process assessment, management assessed the effectiveness of internal control (i.e., process-level control) by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of such key controls.

Management determined the scope for the internal control over financial reporting assessment by selecting the Company itself, consolidated subsidiaries, and companies accounted for by the equity method based on their relative impact (materiality) to financial reporting. The materiality assessment was determined using both quantitative and qualitative aspects. Management reasonably determined the process-level control assessment scope based on the result of the company-level control assessment.

To specifically determine the process-level control assessment scope, certain entities were assessed as “Significant Business Locations.” These entities comprised approximately two-thirds of the Company’s previous fiscal year aggregate net sales (after intercompany eliminations) and were chosen in descending order (starting with the highest impact). For these entities, all business processes impacting the Company’s business objectives, such as sales, accounts receivable, and inventory, were included in the assessment scope.

Additionally, regardless if they are part of the Significant Business Locations or not, other business processes related to significant accounts involving estimates and management’s judgment, or related to a business or operation dealing with high-risk transactions were added to the assessment scope as a “business processes with material impacts on financial reporting.”

3. Assessment Result

Based on the assessment results, management concluded that the internal control over financial reporting at the end of the current fiscal year was effective.

4. Supplementary Information

Not applicable

5. Special Affairs

Not applicable

【Cover】

【Document Submitted】	Confirmation Note
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-2, Paragraph 1, of the Financial Instruments and Exchange Law
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	July 6, 2020
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Accuracy of the Descriptions in This Securities Report

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd., and Stephen Ma, Executive Officer, Chief Financial Officer have confirmed that this Securities Report "Yukashoken-Houkokusho (from April 1, 2019 to March 31, 2020) " of the 121st Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Law.

2. Special Affairs

There are no noteworthy matters that are pertinent to this securities report.