

Quarterly Securities Report

Third Quarter of FY2020

(From October 1, 2020 To December 31, 2020)

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

Nissan Motor Co., Ltd.

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Part I Information on the Company

1. Overview of the Company

1. Key financial data and trends

Fiscal year		121st Nine months ended December 31, 2019	122nd Nine months ended December 31, 2020	121st
Accounting period		(From April 1, 2019 To December 31, 2019)	(From April 1, 2020 To December 31, 2020)	(From April 1, 2019 To March 31, 2020)
Net sales	Millions of yen	7,507,286	5,317,447	9,878,866
[Current Third Quarter]		[2,504,211]	[2,224,760]	
Ordinary income (loss)	Millions of yen	141,432	(216,310)	44,049
Net income (loss) attributable to owners of parent	Millions of yen	39,273	(367,721)	(671,216)
[Current Third Quarter]		[(26,092)]	[(37,762)]	
Comprehensive income	Millions of yen	(85,025)	(331,315)	(1,084,147)
Net assets	Millions of yen	5,421,166	4,034,076	4,424,773
Total assets	Millions of yen	18,088,598	16,033,283	16,976,709
Basic earnings (loss) per share	Yen	10.04	(93.98)	(171.54)
[Current Third Quarter]		[(6.67)]	[(9.65)]	
Diluted earnings per share	Yen	10.04	—	—
Net assets as a percentage of total assets	%	27.9	22.9	23.9
Cash flows from operating activities	Millions of yen	810,283	963,028	1,185,854
Cash flows from investing activities	Millions of yen	(522,934)	(220,296)	(708,687)
Cash flows from financing activities	Millions of yen	(214,921)	(222,891)	(155,494)
Cash and cash equivalents at end of the period	Millions of yen	1,418,505	2,157,798	1,642,981

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

2. Net sales are presented exclusive of consumption tax.

3. Diluted earnings per share for the first nine months of the 122nd fiscal year and the 121st fiscal year is not presented because a net loss per share was recorded although potential dilutive stock existed.

2. Description of business

Except for the following, there have been no significant changes in the business in which the Company and its subsidiaries and affiliates (collectively, the “Group”) operate during the nine months ended December 31, 2020. No changes were made to major subsidiaries and affiliates.

The Group announced a realignment of its regional structure along with senior management appointments that became effective on October 1, 2020. As part of NISSAN NEXT, the Company aims to transform into a leaner, agile organization focused on achieving sustainable growth. To this end, the Company is realigning its operations from the current seven regions (Japan, Asia-Oceania, China, North America, Central and South America, Europe and Africa-Middle East-India) into four key regions (Japan-ASEAN, China, Americas, and AMIEO (Africa, Middle East, India, Europe and Oceania)). This realignment and change of senior management appointments enables us to be more competitive by improving the speed of our operations and represents a positive shift in the way the Company operates with better global and regional integration.

2. Business Overview

1. Business and other risks

During the nine months ended December 31, 2020, there were no unusual fluctuations with regard to financial position, operating results and cash flows or important changes in the “Business and other risks,” which are described in the Securities Report of the prior fiscal year.

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

Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of December 31, 2020, the end of the current third quarter.

(1) Financial position and operating results

Due to the impact of COVID-19 globally, the global industry volume totaled 54.71 million units for the nine months ended December 31, 2020, a decrease of 16.2% from the corresponding period of the last year (the “last year”). Global sales of the Group for the nine months ended December 31, 2020 also decreased by 24.8% year on year to 2,780 thousand units. In addition, due to the decline in sales volume, net sales of the Group for the nine months ended December 31, 2020, totaled ¥5,317.4 billion, which represents a decrease of ¥2,189.9 billion (29.2%) relative to net sales for the last year. An operating loss of ¥131.6 billion was recorded, a deterioration of ¥185.9 billion from the last year.

Net non-operating loss of ¥84.7 billion was recorded for the nine months ended December 31, 2020, deteriorating by ¥171.8 billion from the last year. As a result, an ordinary loss of ¥216.3 billion was recorded, deteriorating by ¥357.7 billion compared with the last year. Net special losses of ¥108.9 billion were recorded, deteriorating by ¥82.0 billion from the last year. A loss before income taxes of ¥325.2 billion was recorded, deteriorating by ¥439.7 billion from the last year. Finally, net loss attributable to owners of parent for the nine months ended December 31, 2020 of ¥367.7 billion was recorded, a deterioration of ¥407.0 billion from the last year.

(2) Cash flows

Cash and cash equivalents at December 31, 2020 increased by ¥514.8 billion (31.3%) from the end of the prior fiscal year to ¥2,157.8 billion. This reflected ¥963.0 billion in net cash provided by operating activities, ¥220.3 billion in net cash used in investing activities and ¥222.9 billion in net cash used by financing activities, as well as a decrease of ¥5.1 billion in the effects of foreign exchange rate movements on cash and cash equivalents and an increase of ¥0.1 billion due to change in the scope of consolidation.

(3) Production and sales

Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Nine months ended December 31, 2019	Nine months ended December 31, 2020		
Japan	584,974	336,506	(248,468)	(42.5)
The United States of America	555,693	292,436	(263,257)	(47.4)
Mexico	456,513	341,909	(114,604)	(25.1)
The United Kingdom	243,723	164,326	(79,397)	(32.6)
Spain	44,507	6,087	(38,420)	(86.3)
Russia	40,920	24,850	(16,070)	(39.3)
Thailand	109,387	80,174	(29,213)	(26.7)
Indonesia	2,808	—	(2,808)	—
Philippines	4,056	2,951	(1,105)	(27.2)
India	150,407	83,016	(67,391)	(44.8)
South Africa	26,414	11,044	(15,370)	(58.2)
Brazil	81,444	30,430	(51,014)	(62.6)
Argentina	8,077	9,092	1,015	12.6
Egypt	12,028	9,636	(2,392)	(19.9)
Total	2,320,951	1,392,457	(928,494)	(40.0)

Note: The figures represent the production figures for the 9-month period from April 1 to December 31, 2020.

Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Nine months ended December 31, 2019	Nine months ended December 31, 2020		
Japan	369,099	308,228	(60,871)	(16.5)
North America	1,173,175	747,185	(425,990)	(36.3)
(The United States of America included therein)	890,864	561,867	(328,997)	(36.9)
Europe	390,803	235,242	(155,561)	(39.8)
Asia	222,620	131,607	(91,013)	(40.9)
Other overseas countries	379,184	199,875	(179,309)	(47.3)
Total	2,534,881	1,622,137	(912,744)	(36.0)

Note: The figures in China and Taiwan, which are included in “Asia” represent the sales figures for the 9-month period from January 1 to September 30, 2020. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 9-month period from April 1 to December 31, 2020.

(4) Results of segments

(Business segments)

a. Automobiles

The Group’s worldwide automobile sales (on a retail basis) for the nine months ended December 31, 2020, decreased by 917 thousand units (24.8%) from the last year to 2,780 thousand units. This was mainly due to the impact of COVID-19 globally. The number of vehicles sold in Japan decreased by 17.3% to 315 thousand units. Vehicles sold in China decreased by 9.7% to 985 thousand units. Those sold in North America including Mexico and Canada decreased by 34.0% to 845 thousand units, those sold in Europe decreased by 28.9% to 281 thousand units and those sold in other overseas countries decreased by 35.6% to 352 thousand units.

Net sales in the automobile business (including intersegment sales) for the nine months ended December 31, 2020 decreased by ¥2,140.4 billion (31.5%) from the last year to ¥4,651.7 billion. An operating loss of ¥346.5 billion was recorded, a deterioration of ¥215.5 billion from the last year. A major profit-deteriorating factor was a decrease in the number of vehicles sold despite the favorable effect of a reduction in fixed costs.

b. Sales Finance

Net sales in the sales finance business (including intersegment sales) for the nine months ended December 31, 2020 decreased by ¥100.0 billion (11.5%) from the last year to ¥773.7 billion. Operating income increased by ¥21.7 billion (12.2%) from the last year to ¥199.6 billion. A major profit-increasing factor was an increase in profit of sales finance companies in the United States of America and China.

(Geographic segments)

a. Japan

Due to the impact of COVID-19, in the Japan market, the total industry volume (“TIV”) decreased by 12.0% year on year to 3,230 thousand units. The Group’s sales decreased by 17.3% from the last year to 315 thousand units. The Group’s market share decreased to 9.8%, down 0.6 percentage points year on year.

As a result, net sales in Japan (including intersegment sales) for the nine months ended December 31, 2020 decreased by ¥865.3 billion (28.5%) from the last year to ¥2,170.1 billion. The Group recorded an operating loss of ¥174.7 billion, deteriorating by ¥184.3 billion from the last year. A major profit-deteriorating factor was a decrease in the number of vehicles sold (including exports).

b. North America

In North America market, including Mexico and Canada, TIV decreased by 16.8% to 12.93 million units. The Group’s sales in North America decreased by 34.0% to 845 thousand units.

As a result, net sales in North America (including intersegment sales) for the nine months ended December 31, 2020 decreased by ¥1,299.6 billion (32.6%) to ¥2,682.5 billion. Operating income was ¥33.6 billion, decreasing by ¥24.6 billion (42.2%) from the last year. A major profit-decreasing factor was a decrease in the number of vehicles sold.

In the United States of America market, TIV decreased by 15.1% to 11.07 million units due the impact of COVID-19. The Group sold 642 thousand units, down 34.5% from the last year. The Group’s market share decreased by 1.7 percentage points to 5.8%.

c. Europe

In the Europe market, TIV decreased by 21.4% to 11.86 million units due to the impact of COVID-19. The Group sold 232 thousand units in the European market, excluding Russia, down 29.9% from the last year. The Group's market share decreased by 0.2 percentage points to 2.2%. In addition, the Group's sales in Russia decreased by 23.9% to 49 thousand units.

As a result, net sales in Europe (including intersegment sales) for the nine months ended December 31, 2020 were ¥745.2 billion, a decrease of ¥374.2 billion (33.4%) from the last year. Operating loss of ¥20.0 billion was recorded, improving by ¥5.9 billion from the last year. A major improving factor was a reduction in fixed costs despite a decrease in the number of vehicles sold.

d. Asia

Sales volume in the Asia market, excluding China, decreased by 40.7% to 99 thousand units. Net sales in Asia (including intersegment sales) for the nine months ended December 31, 2020 decreased by ¥238.7 billion (22.9%) from the last year to ¥805.8 billion. Operating income for the nine months ended December 31, 2020 was ¥36.1 billion, an increase of ¥3.4 billion (10.4%) from the last year.

In the China market, TIV decreased by 9.1% to 15.70 million units due to the impact of COVID-19. The Group's sales in China decreased by 9.7% from the last year to 985 thousand units, accounting for a market share of 6.3%, flat from the last year. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., are reflected as equity in earnings of affiliates in Non-operating income.

e. Other overseas countries

In other markets, consisting of Oceania, Middle East, Africa and Central and South America excluding Mexico, etc., the Group's sales volume decreased by 33.4% to 253 thousand units.

As a result, net sales in other markets consisting of the aforementioned regions (including intersegment sales) for the nine months ended December 31, 2020 decreased by ¥278.4 billion (42.1%) from the last year to ¥382.2 billion. An operating loss of ¥5.9 billion was recorded, deteriorating by ¥2.4 billion from the last year.

(5) Analysis of sources of capital and liquidity

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥152.7 billion to ¥963.0 billion in the nine months ended December 31, 2020 from ¥810.3 billion provided in the last year. This was mainly due to inventories turned to a decrease from an increase and a reduced range of decrease in trade notes and account payable despite recording of a net loss before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities decreased by ¥302.6 billion to ¥220.3 billion in the nine months ended December 31, 2020 from ¥522.9 billion used in the last year. This was mainly due to a decrease in net payment (net difference between the payment for purchase and the proceeds from sales) of leased vehicles despite a decrease in purchase of fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥222.9 billion in the nine months ended December 31, 2020, an increase in cash outflows of ¥8.0 billion compared with ¥214.9 billion used in the last year. This was mainly due to an increase in repayments of short-term borrowings exceeding an increase in proceeds from issuance of bonds and long-term borrowings.

As cash and cash equivalents at December 31, 2020 exceeded interest-bearing debt, the Group had a net cash position of ¥525.5 billion. Free cash flows in the automobile business for the current third quarter improved to a positive ¥38.7 billion primarily due to improvements in working capital. For the nine months ended December 31, 2020, free cash flows in the automobile business were negative ¥466.0 billion reflecting impacts from the profit decline due to the impact of COVID-19.

Information by segments is as follows:

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(337,429)	1,147,712	810,283
Cash flows from investing activities	(333,487)	(189,447)	(522,934)
Cash flows from financing activities	716,776	(931,697)	(214,921)

(Millions of yen)

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(227,337)	1,190,365	963,028
Cash flows from investing activities	(238,623)	18,327	(220,296)
Cash flows from financing activities	971,233	(1,194,124)	(222,891)

(Millions of yen)

Year-on-Year Comparison

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	110,092	42,653	152,745
Cash flows from investing activities	94,864	207,774	302,638
Cash flows from financing activities	254,457	(262,427)	(7,970)

(Millions of yen)

b. Financial policies

It is necessary to pay careful attention to the liquidity of the Group in view of the recent cash usage in the automobile business, credit rating downgrade and the impact of COVID-19. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents noted above, the Group believes that a level of liquidity sufficient to meet the Group's funding requirements is being maintained. The Group had ¥1,983.8 billion of cash and cash equivalents in the automobile business as of December 31, 2020. In addition to securing funding in the normal course of its business, the Company and its subsidiaries secured additional funds to meet cash needs due to the impact of COVID-19 in an aggregate amount of ¥1,227.1 billion with multiple financial institutions after April 2020. The Company also issued USD denominated bonds in an aggregate amount of \$8.0 billion and EUR denominated bonds in an aggregate amount of €2.0 billion. The Group had approximately ¥2,100 billion of committed lines available for drawing as of December 31, 2020.

(6) Management policy and business strategies

The Group defined its corporate purpose as "Driving Innovation to Enrich People's Lives". This stated clearly the Company's raison d'être, the question of why we exist and the role we play for the society, based on "Enriching People's Lives" that has been a Nissan's corporate vision for years, keeping the founder's spirit of "Do what others don't dare to do". Meanwhile, the Group will strengthen its relationships with suppliers and dealers and work with them to bolster our business model.

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. To be specific, the Group has set the goal to achieve carbon neutrality across the company's operations and the life cycle of its products by 2050. As part of this effort, by the early 2030s every all-new Nissan vehicle offering in key markets will be electrified. The Group will pursue further innovations in electrification and manufacturing technology to make progress on the company's carbon neutrality goal.

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 fiscal-year 2023.

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 revise the way in which its conventional businesses proceed and many strict efforts will be required. 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 fiscal year 2023, 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 optimization. The Company will implement a solid plan aimed at structural reforms in the business, cost reduction and efficiency improvement. 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 optimize 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 selection and concentration. 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.

The road to recovery is not easy but the Company will put forth its entire power to overcome it. Although the automobile industry has reached 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 toward the realization of a future mobility society.

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 fiscal year 2023, 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 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 segment. 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.

(7) FY2020 business environment and major Key Performance Indicators

As to the global economy for the nine months ended December 31, 2020, it has fallen into an economic downturn due to the widespread of COVID-19 globally and has deeply impacted financial activities. Total industry volume was reduced from last year and consequently the Group saw a decline in sales. The world continues to face deep uncertainties including another wave of the COVID-19 and the automotive industry is facing a shortage of semiconductors globally and is challenging to produce the necessary volume of vehicles to meet consumer demand.

Given the current circumstances, the Company revised FY2020 forecast from the one previously announced in November 12, 2020. We anticipated the Group's global sales of 4,015 thousand units, a decline of 3.6%, net sales of ¥7.70 trillion, a decline of 3.0% from the previous one. On the other hand, operating loss is forecasted to be ¥205.0 billion and net loss attributable to owners of parent is to be ¥530.0 billion, which is an improvement of ¥135.0 billion and ¥85.0 billion from the previous one, respectively. The improving factors in operating loss are reduction of sales expenses of ¥60.0 billion, increase of profit for sales finance of ¥51.0 billion and reduction of monozukuri and other items of ¥81.0 billion despite negative impact of ¥57.0 billion from declining of the global sales.

The four-year plan, NISSAN NEXT, which was announced on May 28, 2020, aimed fixed costs reduction by ¥300 billion from FY2018 through FY2020. The activity is in progress as planned.

The Group announced in September 2020, a realignment of its regional structure along with senior management appointments that became effective on October 1, 2020. As part of NISSAN NEXT, the Company aims to transform into a leaner, agile organization focused on achieving sustainable growth. To this end, the Company is realigning its operations from the current seven regions into four key regions. This realignment and change of senior management appointments enables us to be more competitive by improving the speed of our operations and represents a positive shift in the way the Company operates with better global and regional integration.

The Group revisited the four categories of the prior fiscal year's target and decided to use the six categories for the current fiscal year, which are marginal profit, free cash flows in the automobile business, fixed cost, market share, quality and employee engagement. These six categories were selected because they are the drivers contributing to NISSAN NEXT.

(8) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the nine months ended December 31, 2020, are as follows.

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Act (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 Act. The Company took this situation very seriously and formed a Special Committee for Improving Governance (SCIG) consisting of several independent third parties and independent Outside Directors of the Company. On March 27, 2019, Nissan's board of directors received a report from the SCIG that summarizes the committee's proposals for governance improvements and recommends a framework for the best governance as a foundation for Nissan business operations in the future. The Company has made the transition to a three statutory committee format.

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

(9) Significant accounting policies and estimates

There was a significant change made to allowance for doubtful accounts of the “Significant accounting policies and estimated” of “Analysis of financial position, operating results and cash flows by management,” which is described in the Securities Report of the prior fiscal year. From the beginning of the first quarter of the fiscal year ending March 31, 2021, the allowance is measured as the present value of credit losses expected over the entire life of the asset at foreign subsidiaries and affiliates that apply US GAAP.

This is the change in accounting policy which has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2021, and please refer to (1) of the section “Change in accounting policies” in 4. “Financial Information.”

(10) Research-and-development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields toward the realization of a sustainable, motorized society in the future.

The research-and-development costs of the Group amounted to ¥364.7 billion for the nine months ended December 31, 2020.

(11) Major equipment and facilities

During fiscal year 2020 (From April 2020 to March 2021), the Group revised the capital investment plan from the one previously announced in November 12, 2020 to invest ¥420.0 billion in capital expenditures, which will be financed out of its own funds.

3. Important business contracts

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

3. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

① Number of shares

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

② Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of December 31, 2020	As of February 12, 2021 (filing date of this Quarterly Securities Report)		
Common stock	4,220,715,112	4,220,715,112	First Section of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

(2) Status of the share subscription rights

① Stock option plans

Not applicable

② Other share subscription rights

Not applicable

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

Not applicable

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

Period	Changes in the number of shares issued (Thousands)	Balance of the number of shares issued (Thousands)	Changes in common stock (Millions of yen)	Balance of common stock (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
From October 1, 2020 To December 31, 2020	—	4,220,715	—	605,813	—	804,470

(5) Principal shareholders

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

(6) Status of voting rights

The “Status of voting rights” as of the end of the current third quarter is presented as of September 30, 2020, the most recent record date, because the number of beneficiary shareholders as of December 31, 2020 could not be ascertained.

① Shares issued

(As of September 30, 2020)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 28,435,400	—	—
	(Crossholding stock) Common stock 199,900	—	—
Shares with full voting rights (Others)	Common stock 4,191,255,000	41,912,550	—
Stocks of less than a standard unit	Common stock 824,812	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,912,550	—

Note: “Stocks of less than a standard unit” include 98 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of September 30, 2020)

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

② Treasury stock, etc.

(As of September 30, 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	28,435,400	—	28,435,400	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	51,600	89,400	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		28,583,600	51,700	28,635,300	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. Members of the Board of Directors and Executive Officers

Not applicable

4. Financial Information

1. Basis of preparation of the quarterly consolidated financial statements

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

Pursuant to Article 64, Paragraph 4 and Article 83-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statement of income and the quarterly consolidated statement of comprehensive income are prepared.

Pursuant to Article 5-2, Paragraph 3 of the Regulations for Quarterly Consolidated Financial Statements, the quarterly consolidated statement of cash flows are prepared.

2. Quarterly review report

The quarterly consolidated financial statements for the current third quarter (from October 1, 2020 to December 31, 2020) and for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020) were reviewed by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2020)	Current Third Quarter (As of December 31, 2020)
Assets		
Current assets		
Cash on hand and in banks	1,382,471	1,933,833
Trade notes and accounts receivable	356,156	369,558
Sales finance receivables	6,739,336	5,973,226
Securities	260,510	223,993
Merchandise and finished goods	881,940	737,502
Work in process	67,865	87,940
Raw materials and supplies	390,618	394,634
Other	739,307	595,947
Allowance for doubtful accounts	(142,264)	(180,238)
Total current assets	10,675,939	10,136,395
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	582,716	576,995
Machinery, equipment and vehicles, net ※1	2,936,316	※1 2,599,772
Land	589,064	587,989
Construction in progress	227,165	209,580
Other, net	183,589	248,356
Total property, plant and equipment	4,518,850	4,222,692
Intangible fixed assets	114,932	109,186
Investments and other assets		
Investment securities	1,177,184	1,065,867
Other	493,689	495,293
Allowance for doubtful accounts	(3,885)	(3,686)
Total investments and other assets	1,666,988	1,557,474
Total fixed assets	6,300,770	5,889,352
Deferred assets		
Bond issuance costs	—	7,536
Total deferred assets	—	7,536
Total assets	16,976,709	16,033,283

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2020)	Current Third Quarter (As of December 31, 2020)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,357,047	1,360,184
Short-term borrowings	1,339,949	829,332
Current portion of long-term borrowings	1,826,904	1,736,001
Commercial papers	726,017	114,994
Current portion of bonds	765,532	614,026
Lease obligations	35,572	44,149
Accrued expenses	1,031,284	935,086
Accrued warranty costs	104,297	96,592
Other	878,644	753,786
Total current liabilities	8,065,246	6,484,150
Long-term liabilities		
Bonds	1,042,954	1,861,318
Long-term borrowings	2,098,558	2,386,709
Lease obligations	72,494	76,375
Accrued warranty costs	108,751	94,952
Net defined benefit liability	454,068	457,719
Other	709,865	637,984
Total long-term liabilities	4,486,690	5,515,057
Total liabilities	12,551,936	11,999,207
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	818,056	817,072
Retained earnings	4,125,043	3,711,147
Treasury stock	(139,262)	(139,295)
Total shareholders' equity	5,409,651	4,994,738
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	(16,420)	36,381
Unrealized gain and loss from hedging instruments	(20,352)	(17,151)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(35,632)	(36,277)
Translation adjustments	(1,046,160)	(1,061,361)
Remeasurements of defined benefit plans	(226,798)	(242,547)
Total accumulated other comprehensive income	(1,345,362)	(1,320,955)
Non-controlling interests	360,484	360,293
Total net assets	4,424,773	4,034,076
Total liabilities and net assets	16,976,709	16,033,283

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
The Nine-Month Period Ended December 31
Quarterly consolidated statement of income

	(Millions of yen)	
	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)
Net sales	7,507,286	5,317,447
Cost of sales	6,395,531	4,628,207
Gross profit	1,111,755	689,240
Selling, general and administrative expenses		
Advertising expenses	210,163	159,383
Provision for warranty costs	90,853	66,463
Other selling expenses	147,273	82,317
Salaries and wages	288,680	269,183
Retirement benefit expenses	16,043	12,556
Provision for doubtful accounts	63,799	27,613
Other	240,601	203,356
Total selling, general and administrative expenses	1,057,412	820,871
Operating income (loss)	54,343	(131,631)
Non-operating income		
Interest income	16,511	9,670
Dividends income	7,277	1,932
Equity in earnings of affiliates	83,790	—
Exchange gain	25,800	45,027
Miscellaneous income	7,950	15,064
Total non-operating income	141,328	71,693
Non-operating expenses		
Interest expense	8,419	22,575
Equity in losses of affiliates	—	71,633
Derivative loss	26,412	41,699
Miscellaneous expenses	19,408	20,465
Total non-operating expenses	54,239	156,372
Ordinary income (loss)	141,432	(216,310)
Special gains		
Gain on sales of fixed assets	8,668	13,250
Subsidy income and others	—	6,924
Other	4,716	220
Total special gains	13,384	20,394
Special losses		
Loss on sales of fixed assets	5,398	882
Loss on disposal of fixed assets	9,340	5,870
Special addition to retirement benefits	8,089	57,622
Loss on shutdowns and others due to COVID-19	—	42,348
Other	17,519	22,546
Total special losses	40,346	129,268
Income (loss) before income taxes	114,470	(325,184)
Income taxes	62,950	32,123
Net income (loss)	51,520	(357,307)
Net income attributable to non-controlling interests	12,247	10,414
Net income (loss) attributable to owners of parent	39,273	(367,721)

Quarterly consolidated statement of comprehensive income

	(Millions of yen)	
	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)
Net income(loss)	51,520	(357,307)
Other comprehensive income		
Unrealized holding gain and loss on securities	(4,678)	52,741
Unrealized gain and loss from hedging instruments	(10,988)	3,224
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(2,616)	(897)
Translation adjustments	(57,325)	15,593
Remeasurements of defined benefit plans	(5,008)	(17,100)
The amount for equity method company portion	(55,930)	(27,569)
Total other comprehensive income	(136,545)	25,992
Comprehensive income	(85,025)	(331,315)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(89,065)	(343,314)
Comprehensive income attributable to non-controlling interests	4,040	11,999

The Three-Month Period Ended December 31
Quarterly consolidated statement of income

(Millions of yen)

	Prior Third Quarter (From October 1, 2019 To December 31, 2019)	Current Third Quarter (From October 1, 2020 To December 31, 2020)
Net sales	2,504,211	2,224,760
Cost of sales	2,160,648	1,897,190
Gross profit	343,563	327,570
Selling, general and administrative expenses		
Advertising expenses	67,109	69,317
Provision for warranty costs	31,309	32,839
Other selling expenses	54,558	22,888
Salaries and wages	96,764	91,695
Retirement benefit expenses	5,523	4,269
Provision for doubtful accounts	19,296	10,373
Other	46,269	69,061
Total selling, general and administrative expenses	320,828	300,442
Operating income	22,735	27,128
Non-operating income		
Interest income	4,551	3,228
Equity in earnings of affiliates	—	6,407
Exchange gain	31,811	21,253
Miscellaneous income	3,687	3,436
Total non-operating income	40,049	34,324
Non-operating expenses		
Interest expense	2,726	14,014
Equity in losses of affiliates	478	—
Derivative loss	25,839	22,420
Miscellaneous expenses	7,951	9,490
Total non-operating expenses	36,994	45,924
Ordinary income	25,790	15,528
Special gains		
Gain on sales of fixed assets	1,850	2,483
Other	1,529	101
Total special gains	3,379	2,584
Special losses		
Loss on sales of fixed assets	2,161	439
Loss on disposal of fixed assets	3,199	3,233
Impairment loss	4,554	3,717
Special addition to retirement benefits	—	3,637
Loss on sales of shares of subsidiaries and affiliates	—	3,837
Other	9,504	7,501
Total special losses	19,418	22,364
Income (loss) before income taxes	9,751	(4,252)
Income taxes	31,731	28,160
Net loss	(21,980)	(32,412)
Net income attributable to non-controlling interests	4,112	5,350
Net loss attributable to owners of parent	(26,092)	(37,762)

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Prior Third Quarter (From October 1, 2019 To December 31, 2019)	Current Third Quarter (From October 1, 2020 To December 31, 2020)
Net loss	(21,980)	(32,412)
Other comprehensive income		
Unrealized holding gain and loss on securities	7,817	18,879
Unrealized gain and loss from hedging instruments	393	2,451
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	2,792	(875)
Translation adjustments	55,197	45,971
Remeasurements of defined benefit plans	(17,541)	(5,406)
The amount for equity method company portion	(28,029)	12,202
Total other comprehensive income	20,629	73,222
Comprehensive income	(1,351)	40,810
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(3,922)	31,047
Comprehensive income attributable to non-controlling interests	2,571	9,763

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)
Cash flows from operating activities		
Income (loss) before income taxes	114,470	(325,184)
Depreciation and amortization (for fixed assets excluding leased vehicles)	288,138	189,584
Depreciation and amortization (for long term prepaid expenses)	30,378	35,680
Depreciation and amortization (for leased vehicles)	333,665	306,074
Increase (decrease) in allowance for doubtful accounts	(4,250)	(26,408)
Interest and dividends income	(23,788)	(11,602)
Interest expense	153,222	134,039
Equity in losses (earnings) of affiliates	(83,790)	71,633
Loss (gain) on sales of fixed assets	(3,270)	(12,368)
Loss on disposal of fixed assets	9,340	5,870
Decrease (increase) in trade notes and accounts receivable	106,087	(15,646)
Decrease (increase) in sales finance receivables	575,691	731,178
Decrease (increase) in inventories	(164,811)	144,785
Increase (decrease) in trade notes and accounts payable	(328,161)	(135,711)
Retirement benefit expenses	22,902	23,759
Payments related to net defined benefit assets and liabilities	(23,159)	(21,476)
Other	(47,133)	(42,585)
Subtotal	955,531	1,051,622
Interest and dividends received	22,588	14,892
Proceeds from dividends income from affiliates accounted for by equity method	105,065	47,346
Interest paid	(148,794)	(119,921)
Income taxes paid	(124,107)	(30,911)
Net cash provided by (used in) operating activities	810,283	963,028
Cash flows from investing activities		
Net decrease (increase) in short-term investments	492	(20)
Purchase of fixed assets	(359,792)	(274,929)
Proceeds from sales of fixed assets	39,617	36,866
Purchase of leased vehicles	(867,286)	(585,938)
Proceeds from sales of leased vehicles	559,570	535,635
Payments of long-term loans receivable	(302)	(76)
Collection of long-term loans receivable	564	726
Purchase of investment securities	(11,265)	(134)
Proceeds from sales of investment securities	196	1,615
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	1,746	8,988
Net decrease (increase) in restricted cash	114,242	57,441
Other	(716)	(470)
Net cash provided by (used in) investing activities	(522,934)	(220,296)

(Millions of yen)

	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	241,839	(1,111,178)
Proceeds from long-term borrowings	1,223,806	1,738,957
Proceeds from issuance of bonds	129,693	1,174,475
Repayments of long-term borrowings	(1,345,893)	(1,493,344)
Redemption of bonds	(282,870)	(482,461)
Proceeds from non-controlling shareholders	8,551	2,877
Purchase of treasury stock	(2)	(0)
Repayments of lease obligations	(27,503)	(36,359)
Cash dividends paid	(150,652)	—
Cash dividends paid to non-controlling interests	(16,901)	(14,894)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(964)
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	(214,921)	(222,891)
Effects of exchange rate changes on cash and cash equivalents	(19,185)	(5,141)
Increase (decrease) in cash and cash equivalents	53,243	514,700
Cash and cash equivalents at beginning of the period	1,359,058	1,642,981
Increase due to inclusion in consolidation	6,204	117
Cash and cash equivalents at end of the period	※1 1,418,505	※1 2,157,798

[Notes to Quarterly Consolidated Financial Statements]

(Changes in accounting policies)

Nine Months Ended December 31, 2020
(From April 1, 2020 To December 31, 2020)

(1) Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 326, “*Financial Instruments—Credit Losses*”

At foreign subsidiaries and affiliates that apply US GAAP, Financial Accounting Standards Board (FASB) ASC No. 326, “*Financial Instruments—Credit Losses*” has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2021.

With this adoption, the method for measurement of financial instruments was reviewed and impairment losses were recognized on financial assets using the current expected credit loss model.

In adopting the accounting standard, in accordance with the transitional treatment, the cumulative effect of adoption of the standard was recognized on the date of the start of adoption, and was added to or subtracted from retained earnings at the beginning of the nine months ended December 31, 2020.

As a result, for the effects of this revision based on the requirement of the standard as transition disclosures, the balance at the beginning of the nine months ended December 31, 2020 of allowance for doubtful accounts increased by ¥62,965 million (decrease of current assets), and deferred tax liabilities (included in long-term liabilities) and retained earnings decreased by ¥16,121 million and ¥46,844 million, respectively.

(2) Accounting treatment of bond issuance costs

The Group issued bonds in the second quarter with the purpose of securing medium- to long-term funding in order to flexibly respond to COVID-19 and other changes in the internal and external environment.

As a result, from the second quarter, bond issuance costs associated with the bonds issued by the Company and its domestic subsidiaries, which had been previously fully charged to expenses when incurred, are amortized using the effective interest method over the term of redemption. This is because bond issuance costs are financing costs in nature like bond interest, and that the effective interest method of amortization applied in international accounting standards will more appropriately reflect the Group’s current financing activities in the Consolidated Financial Statements.

Due to this change, ordinary loss and loss before income taxes for the nine months ended December 31, 2020 each decreased by ¥7,536 million, ordinary profit decreased by ¥336 million and loss before income and taxes increased by ¥336 million for the current third quarter ended December 31, 2020. This change in the accounting policy is not applied retrospectively as there is no material effect on the Consolidated Financial Statements for past periods.

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

Nine Months Ended December 31, 2020
(From April 1, 2020 To December 31, 2020)

(Calculation of tax expense)

Income taxes are determined based on the amount of income before income taxes for the current third quarter ended December 31, 2020 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2021.

Deferred income taxes are included in income taxes.

(Additional information)

Nine Months Ended December 31, 2020
(From April 1, 2020 To December 31, 2020)

(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).

(Accounting estimates of the impact of COVID-19)

There were no significant changes in the assumption including the duration of the pandemic and accounting estimates with regard to impact of COVID-19, which are described in the Securities Report of the prior fiscal year.

(For quarterly consolidated balance sheets)

1 ※1 “Machinery, equipment and vehicles, net” includes the following assets leased to others under lease agreements.

(Millions of yen)

	Prior Fiscal Year (As of March 31, 2020)	Current Third Quarter (As of December 31, 2020)
Assets leased to others under lease agreements (lessor)	2,452,585	2,088,501

2 Guarantees and others

Prior Fiscal Year (As of March 31, 2020)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 23,025	Guarantees for employees' housing loans and others
13 foreign dealers	269	Guarantees for loans and others
Total	23,294	

(*1) 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

Current Third Quarter (As of December 31, 2020)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 19,821	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 643	Guarantees for loans and others
Total	20,464	

(*1) Allowance for doubtful accounts is provided for these loans mainly based on past experience.

(*2) The guarantee balance of ¥643 million is the guarantees made by a foreign subsidiary to a financial institution who financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	20	Commitments to provide guarantees for loans

3 Contingent Liabilities

• Lawsuits related to Takata's airbag inflators

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

(For quarterly consolidated statements of cash flows)

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

	(Millions of yen)	
	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)
Cash on hand and in banks	1,204,178	1,933,833
Time deposits with maturities of more than three months	—	(28)
Cash equivalents included in securities (*)	214,327	223,993
Cash and cash equivalents	1,418,505	2,157,798

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

(For net assets)

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

1. Dividends paid

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

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

2. Dividends which the record date fell in the period from April 1 to December 31, 2019, and the effective date of which was after December 31, 2019

There were no applicable items during the third quarter ended December 31, 2019.

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

1. Dividends paid

Not applicable.

2. Dividends which the record date fell in the period from April 1 to December 31, 2020, and the effective date of which was after December 31, 2020

There were no applicable items during the third quarter ended December 31, 2020.

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

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

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

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

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

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

3. Changes to reportable segments and others

(1) Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 326, “*Financial Instruments—Credit Losses*”

As stated in “Changes in accounting policies,” at foreign subsidiaries and affiliates that apply US GAAP, Financial Accounting Standards Board (FASB) ASC No. 326, “*Financial Instruments—Credit Losses*” has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2021.

With this adoption, the method for measurement of financial instruments was reviewed and impairment losses were recognized on financial assets using the current expected credit loss model.

In adopting the accounting standard, in accordance with the transitional treatment, the cumulative effect of adoption of the standard was recognized on the date of the start of adoption, and was added to or subtracted from retained earnings for business segments at the beginning of the nine months ended December 31, 2020.

As a result, for the effects of this revision based on the requirement of the standard as transition disclosures, the balance at the beginning of the nine months ended December 31, 2020 of allowance for doubtful accounts increased by ¥62,965 million (decrease of current assets), deferred tax liabilities (included in long-term liabilities) and retained earnings decreased by ¥16,121 million and ¥46,844 million, respectively in Sales financing on the summarized quarterly consolidated balance sheets by business segments.

(2) Accounting treatment of bond issuance costs

As stated in “Changes in accounting policies,” the Group issued bonds in the second quarter with the purpose of securing medium- to long-term funding in order to flexibly respond to COVID-19 and other changes in the internal and external environment.

As a result, from the second quarter, bond issuance costs associated with the bonds issued by the Company and its domestic subsidiaries, which had been previously fully charged to expenses when incurred, are amortized using the effective interest method over the term of redemption. This is because bond issuance costs are financing costs in nature like bond interest, and that the effective interest method of amortization applied in international accounting standards will more appropriately reflect the Group’s current financing activities in the Consolidated Financial Statements.

Due to this change, ordinary loss and loss before income taxes each decreased by ¥7,536 million under Automobile & Eliminations in the summarized quarterly consolidated statements of income by business segments for the nine months ended December 31, 2020. This change in the accounting policy is not applied retrospectively as there is no material effect on the Consolidated Financial Statements for past periods.

4. Net sales and profits or losses by reportable segments

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine Months Ended December 31, 2019
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	6,672,221	835,065	7,507,286	—	7,507,286
Inter-segment sales or transfers	119,857	38,674	158,531	(158,531)	—
Total	6,792,078	873,739	7,665,817	(158,531)	7,507,286
Segment profits (loss)	(131,048)	177,914	46,866	7,477	54,343

Prior Third Quarter (From October 1, 2019 To December 31, 2019)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior Third Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,229,984	274,227	2,504,211	—	2,504,211
Inter-segment sales or transfers	42,232	12,869	55,101	(55,101)	—
Total	2,272,216	287,096	2,559,312	(55,101)	2,504,211
Segment profits (loss)	(39,843)	59,896	20,053	2,682	22,735

Note 1: Quarterly consolidated financial statements by business segments

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

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior Third Quarter (As of December 31, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,131,090	73,088	1,204,178
Trade notes and accounts receivable	409,678	1,277	410,955
Sales finance receivables	(99,146)	7,105,207	7,006,061
Inventories	1,381,740	54,662	1,436,402
Other current assets	718,558	197,739	916,297
Total current assets	3,541,920	7,431,973	10,973,893
II. Fixed assets			
Property, plant and equipment, net	2,666,301	2,531,547	5,197,848
Investment securities	1,200,521	5,867	1,206,388
Other fixed assets	591,999	118,470	710,469
Total fixed assets	4,458,821	2,655,884	7,114,705
Total assets	8,000,741	10,087,857	18,088,598
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,379,137	28,495	1,407,632
Short-term borrowings	240,313	3,883,739	4,124,052
Lease obligations	32,887	477	33,364
Other current liabilities	1,549,194	471,763	2,020,957
Total current liabilities	3,201,531	4,384,474	7,586,005
II. Long-term liabilities			
Bonds	163,048	1,145,274	1,308,322
Long-term borrowings	(17,611)	2,408,111	2,390,500
Lease obligations	76,831	1,137	77,968
Other long-term liabilities	724,254	580,383	1,304,637
Total long-term liabilities	946,522	4,134,905	5,081,427
Total liabilities	4,148,053	8,519,379	12,667,432
Net assets			
I. Shareholders' equity			
Common stock	385,958	219,856	605,814
Capital surplus	645,300	172,756	818,056
Retained earnings	3,644,773	1,190,759	4,835,532
Treasury stock	(139,272)	—	(139,272)
Total shareholders' equity	4,536,759	1,583,371	6,120,130
II. Accumulated other comprehensive income			
Translation adjustments	(774,469)	(112,316)	(886,785)
Others	(171,542)	(10,355)	(181,897)
Total accumulated other comprehensive income	(946,011)	(122,671)	(1,068,682)
III. Non-controlling interests			
Total net assets	3,852,688	1,568,478	5,421,166
Total liabilities and net assets	8,000,741	10,087,857	18,088,598

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 ¥408,501 million.

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

(Millions of yen)

Accounts	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	6,633,547	873,739	7,507,286
Cost of sales	5,813,106	582,425	6,395,531
Gross profit	820,441	291,314	1,111,755
Operating income as a percentage of net sales	(1.9%)	20.4%	0.7%
Operating income (loss)	(123,571)	177,914	54,343
Financial income / expenses, net	15,370	(1)	15,369
Other non-operating income and expenses, net	69,732	1,988	71,720
Ordinary income (loss)	(38,469)	179,901	141,432
Income (loss) before income taxes	(61,187)	175,657	114,470
Net income (loss) attributable to owners of parent	(83,569)	122,842	39,273

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

(Millions of yen)

Accounts	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(61,187)	175,657	114,470
Depreciation and amortization	274,392	377,789	652,181
Decrease (increase) in sales finance receivables	(36,862)	612,553	575,691
Others	(513,772)	(18,287)	(532,059)
Net cash provided by (used in) operating activities	(337,429)	1,147,712	810,283
II. Cash flows from investing activities			
Purchase of investment securities	(11,265)	—	(11,265)
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	1,746	—	1,746
Purchases of fixed assets	(349,118)	(10,674)	(359,792)
Proceeds from sales of fixed assets	24,908	14,709	39,617
Purchases of leased vehicles	—	(867,286)	(867,286)
Proceeds from sales of leased vehicles	—	559,570	559,570
Others	242	114,234	114,476
Net cash provided by (used in) investing activities	(333,487)	(189,447)	(522,934)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	529,703	(287,864)	241,839
Net change in long-term borrowings and redemption of bonds	114,782	(519,739)	(404,957)
Proceeds from issuance of bonds	18,048	111,645	129,693
Others	54,243	(235,739)	(181,496)
Net cash provided by (used in) financing activities	716,776	(931,697)	(214,921)
IV. Effect of exchange rate changes on cash and cash equivalents	(17,210)	(1,975)	(19,185)
V. Increase (decrease) in cash and cash equivalents	28,650	24,593	53,243
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	1,344,434	74,071	1,418,505

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥304,028 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 ¥128,663 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,583,137	3,649,528	964,494	678,546	631,581	7,507,286	—	7,507,286
(2) Inter-segment sales	1,452,294	332,558	154,870	365,928	28,985	2,334,635	(2,334,635)	—
Total	3,035,431	3,982,086	1,119,364	1,044,474	660,566	9,841,921	(2,334,635)	7,507,286
Operating income (loss)	9,611	58,177	(25,854)	32,659	(3,498)	71,095	(16,752)	54,343

Prior Third Quarter (From October 1, 2019 To December 31, 2019)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	476,146	1,216,909	348,150	231,447	231,559	2,504,211	—	2,504,211
(2) Inter-segment sales	542,450	104,524	52,810	125,674	12,758	838,216	(838,216)	—
Total	1,018,596	1,321,433	400,960	357,121	244,317	3,342,427	(838,216)	2,504,211
Operating income (loss)	18,259	21,639	(4,416)	10,835	496	46,813	(24,078)	22,735

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

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Nine Months Ended December 31, 2020
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	4,575,272	742,175	5,317,447	—	5,317,447
Inter-segment sales or transfers	76,436	31,517	107,953	(107,953)	—
Total	4,651,708	773,692	5,425,400	(107,953)	5,317,447
Segment profits (loss)	(346,467)	199,574	(146,893)	15,262	(131,631)

Current Third Quarter (From October 1, 2020 To December 31, 2020)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Third Quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	1,982,383	242,377	2,224,760	—	2,224,760
Inter-segment sales or transfers	18,723	10,244	28,967	(28,967)	—
Total	2,001,106	252,621	2,253,727	(28,967)	2,224,760
Segment profits (loss)	(42,089)	62,942	20,853	6,275	27,128

Note 1: Quarterly consolidated financial statements by business segments

- The Sales financing segment consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), 12 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).
- The financial data on Automobile & Eliminations represents the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized quarterly consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current Third Quarter (As of December 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,796,965	136,868	1,933,833
Trade notes and accounts receivable	368,056	1,502	369,558
Sales finance receivables	(102,498)	6,075,724	5,973,226
Inventories	1,175,885	44,191	1,220,076
Other current assets	576,529	63,173	639,702
Total current assets	3,814,937	6,321,458	10,136,395
II. Fixed assets			
Property, plant and equipment, net	2,133,192	2,089,500	4,222,692
Investment securities	1,062,298	3,569	1,065,867
Other fixed assets	459,135	141,658	600,793
Total current assets	3,654,625	2,234,727	5,889,352
III. Deferred assets			
Bond issuance costs	7,536	—	7,536
Total deferred assets	7,536	—	7,536
Total assets	7,477,098	8,556,185	16,033,283
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,330,636	29,548	1,360,184
Short-term borrowings	42,794	3,251,559	3,294,353
Lease obligations	43,686	463	44,149
Other current liabilities	1,355,254	430,210	1,785,464
Total current liabilities	2,772,370	3,711,780	6,484,150
II. Long-term liabilities			
Bonds	1,191,383	669,935	1,861,318
Long-term borrowings	105,631	2,281,078	2,386,709
Lease obligations	74,809	1,566	76,375
Other long-term liabilities	734,881	455,774	1,190,655
Total long-term liabilities	2,106,704	3,408,353	5,515,057
Total liabilities	4,879,074	7,120,133	11,999,207
Net assets			
I. Shareholders' equity			
Common stock	380,713	225,101	605,814
Capital surplus	644,316	172,756	817,072
Retained earnings	2,646,386	1,064,761	3,711,147
Treasury stock	(139,295)	—	(139,295)
Total shareholders' equity	3,532,120	1,462,618	4,994,738
II. Accumulated other comprehensive income			
Translation adjustments	(924,271)	(137,090)	(1,061,361)
Others	(238,646)	(20,948)	(259,594)
Total accumulated other comprehensive income	(1,162,917)	(158,038)	(1,320,955)
III. Non-controlling interests	228,821	131,472	360,293
Total net assets	2,598,024	1,436,052	4,034,076
Total liabilities and net assets	7,477,098	8,556,185	16,033,283

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 ¥797,050 million.

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

(Millions of yen)

Accounts	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	4,543,755	773,692	5,317,447
Cost of sales	4,128,942	499,265	4,628,207
Gross profit	414,813	274,427	689,240
Operating income as a percentage of net sales	(7.3%)	25.8%	(2.5%)
Operating income (loss)	(331,205)	199,574	(131,631)
Financial income / expenses, net	(11,057)	84	(10,973)
Other non-operating income and expenses, net	(74,837)	1,131	(73,706)
Ordinary income (loss)	(417,099)	200,789	(216,310)
Income (loss) before income taxes	(528,848)	203,664	(325,184)
Net income (loss) attributable to owners of parent	(505,748)	138,027	(367,721)

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

(Millions of yen)

Accounts	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(528,848)	203,664	(325,184)
Depreciation and amortization	197,684	333,654	531,338
Decrease (increase) in sales finance receivables	(11,080)	742,258	731,178
Others	114,907	(89,211)	25,696
Net cash provided by (used in) operating activities	(227,337)	1,190,365	963,028
II. Cash flows from investing activities			
Proceeds from sales of investment securities	1,615	—	1,615
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	8,988	—	8,988
Purchase of fixed assets	(274,233)	(696)	(274,929)
Proceeds from sales of fixed assets	25,031	11,835	36,866
Purchase of leased vehicles	—	(585,938)	(585,938)
Proceeds from sales of leased vehicles	—	535,635	535,635
Others	(24)	57,491	57,467
Net cash provided by (used in) investing activities	(238,623)	18,327	(220,296)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(403,932)	(707,246)	(1,111,178)
Net change in long-term borrowings and redemption of bonds	253,390	(490,238)	(236,848)
Proceeds from issuance of bonds	1,151,563	22,912	1,174,475
Others	(29,788)	(19,552)	(49,340)
Net cash provided by (used in) financing activities	971,233	(1,194,124)	(222,891)
IV. Effect of exchange rate changes on cash and cash equivalents	(16,096)	10,955	(5,141)
V. Increase (decrease) in cash and cash equivalents	489,177	25,523	514,700
VI. Cash and cash equivalents at the beginning of the period	1,494,550	148,431	1,642,981
VII. Increase due to inclusion in consolidation	49	68	117
VIII. Cash and cash equivalents at the end of the period	1,983,776	174,022	2,157,798

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥409,298 million eliminated for net increase in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥54,962 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,291,991	2,479,065	623,799	547,724	374,868	5,317,447	—	5,317,447
(2) Inter-segment sales	878,137	203,453	121,353	258,081	7,360	1,468,384	(1,468,384)	—
Total	2,170,128	2,682,518	745,152	805,805	382,228	6,785,831	(1,468,384)	5,317,447
Operating income (loss)	(174,658)	33,632	(19,984)	36,049	(5,920)	(130,881)	(750)	(131,631)

Current Third Quarter (From October 1, 2020 To December 31, 2020)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	480,881	1,053,828	281,286	221,806	186,959	2,224,760	—	2,224,760
(2) Inter-segment sales	475,451	89,504	60,940	114,889	3,962	744,746	(744,746)	—
Total	956,332	1,143,332	342,226	336,695	190,921	2,969,506	(744,746)	2,224,760
Operating income (loss)	(4,999)	14,545	3,070	15,645	4,199	32,460	(5,332)	27,128

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

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

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

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

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

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

There were no significant impairment losses on fixed assets in the reportable segments for the nine months ended December 31, 2019.

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

There were no significant impairment losses on fixed assets in the reportable segments for the nine months ended December 31, 2020.

6. Information about goodwill by reportable segments

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the nine months ended December 31, 2019.

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

There were no significant changes in the reported amounts of goodwill in the reportable segments for the nine months ended December 31, 2020.

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

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

There were no significant gains recognized on negative goodwill in the reportable segments for the nine months ended December 31, 2019.

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

There were no significant gains recognized on negative goodwill in the reportable segments for the nine months ended December 31, 2020.

8. Information about geographical area

Net sales

The Nine-Month Period Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,256,144	3,567,196	2,927,075	1,070,300	865,901	747,745	7,507,286

Prior Third Quarter (From October 1, 2019 To December 31, 2019)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
370,974	1,188,789	968,177	374,852	294,850	274,746	2,504,211

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.

The Nine-Month Period Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,062,767	2,443,072	2,012,901	699,549	689,991	422,068	5,317,447

Current Third Quarter (From October 1, 2020 To December 31, 2020)

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
395,015	1,033,011	855,794	313,937	270,750	212,047	2,224,760

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.

(Amounts per share)

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

	Nine Months Ended December 31, 2019 (From April 1, 2019 To December 31, 2019)	Nine Months Ended December 31, 2020 (From April 1, 2020 To December 31, 2020)
(1) Basic earnings (loss) per share	¥10.04	(¥93.98)
(Basis for calculation)		
Net income (loss) attributable to owners of parent (Millions of yen)	39,273	(367,721)
Net income (loss) attributable to owners of parent relating to common stock (Millions of yen)	39,273	(367,721)
Average number of shares of common stock during the period (Thousands of shares)	3,913,049	3,912,729
(2) Diluted earnings per share	¥10.04	—
(Basis for calculation)		
Adjustment in net income attributable to owners of parent (Millions of yen)	—	—
Increase in shares of common stock (Thousands of shares)	—	—
Any significant changes from the prior fiscal year- end in potential securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

Note: The information on “Diluted earnings per share” for the nine months ended December 31, 2020 is not presented because a net loss per share was recorded although potential dilutive stock existed.

(Significant subsequent events)

Not applicable

2. Other

Significant lawsuits, etc. relating to operations and other matters

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

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)

Independent Auditor's Quarterly Review Report

February 10, 2021

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Koji Fujima
Designated and Engagement Partner Certified Public Accountant	Masanori Enomoto
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

Auditor's Conclusion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have reviewed the accompanying quarterly consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the "Group"), which comprise the quarterly consolidated balance sheet as of December 31, 2020, the quarterly consolidated statements of income, comprehensive income, and cash flows for the three-month and nine-month periods then ended, and the related notes included in "Financial Information".

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2020, and the consolidated results of their operations for the three-month and nine-month periods then ended and their cash flows for the nine-month period then ended in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan.

Basis for Auditor's Conclusion

We conducted our review in accordance with the review standards for quarterly financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have obtained evidence to provide a basis for our conclusion.

Management's and the Audit Committee's Responsibilities for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these quarterly consolidated financial statements in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly 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 for quarterly consolidated financial statements 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 Review of the Quarterly Consolidated Financial Statements

Our objective is to issue an auditor's quarterly review report that includes our conclusion from an independent standpoint.

As part of a review in accordance with the review standards for quarterly financial statements generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the quarterly review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that 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, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not presented fairly in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our auditor's quarterly review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's quarterly review 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 quarterly consolidated financial statements, including the disclosures, and whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles for quarterly consolidated financial statements generally accepted in Japan.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the quarterly review and significant review findings.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review 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.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes:

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

【Cover】

【Document Submitted】	Confirmation Note
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	February 12, 2021
【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 Quarterly 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 Quarterly Securities Report “Shihanki-Houkokusho” for the third quarter (from October 1, 2020 to December 31, 2020) of the 122nd Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Act.

2. Special Affairs

There are no noteworthy matters that are pertinent to this Quarterly Securities Report.