



<TRANSLATION>

March 4, 2022

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| Company Name | Nissan Motor Co., Ltd.              |
| Code No.     | 7201                                |
| Inquiry      | IR Department<br>(TEL 045-523-5523) |

Regarding the first instance judgment on the violation of the Japan  
Financial Instruments and Exchange Act

The Company announces “Regarding the first instance judgment on the violation of the Japan Financial Instruments and Exchange Act” as attached.

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Embargoed for March 4, 2022

## **Regarding the first instance judgment on the violation of the Japan Financial Instruments and Exchange Act**

**YOKOHAMA, Japan** – On March 3, 2022, Nissan received from the Tokyo District Court a guilty judgment regarding the violation of the Financial Instruments and Exchange Act (FIEA) (submission of annual securities reports containing false statements) and was ordered a penalty of 200 million yen (prosecutors' request: 200 million yen).

As stated in Nissan's press release "Nissan board receives report on misconduct led by former chairman and others" dated September 9, 2019, the internal investigation conducted by Nissan and external lawyers found that Carlos Ghosn and Greg Kelly collaborated to underreport Ghosn's compensation in Nissan's annual securities reports. Furthermore, based on the same factual findings, the Japanese Financial Services Agency imposed an administrative monetary penalty to the company on February 27, 2020, due to material misstatements in past annual securities reports.

Based on the above, Nissan contends it is indisputable that the acts of both individuals constitute a violation of the FIEA and Nissan will be punished based on the dual criminal liability clause. For that reason, without waiting for the judgment, Nissan has been undertaking steps to strengthen its governance and reform its corporate culture, to prevent such misconduct.

The findings confirmed based on evidence the existence of unpaid compensation regarding Ghosn and that his director compensation was underreported in the annual securities report under his instruction. The company contends that this is a fair judgment and takes this matter extremely seriously. On the other hand, it was unexpected that for some years the Court judged that the objective evidence was insufficient to support the credibility of the witness to find Kelly's intention and collaboration in the series of crimes.

Nissan treats the judgment with utmost seriousness, and after careful consideration of the principal penalty and the findings in the judgment, the company has decided it will not appeal.

If the prosecutors do not appeal against the guilty judgment on Nissan within the period determined by the Criminal Procedure Act, the judgment will become final. In this case, within the administrative monetary penalty payment order as announced in the Timely Disclosure to the Tokyo Stock Exchange "Administrative Monetary Penalty Payment Order by the Financial Services Agency" dated February 28, 2020, the portion corresponding to the same case as this criminal lawsuit (i.e., 1,018,645,000 yen) will be modified by deducting the monetary penalty amount in this judgment, in accordance with Article 185-8-6 of FIEA.

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The misconduct by Ghosn and others is not limited to the violation of the FIEA. The company deeply regrets that it could not prevent such misconduct, and will continue to improve governance and reform the corporate culture throughout the whole corporation, to prevent such misconduct.

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