Financial Information as of March 31, 2022

(The English translation of the
"Yukashoken-Houkokusho" for
the year ended March 31, 2022)

Nissan Motor Co., Ltd.

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【Document Submitted】	Securities Report (“Yukashoken-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 30, 2022
【Business Year】	123rd Fiscal Year (From April 1, 2021 to March 31, 2022)
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
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Part I　Information on the Company

1. Overview of the Company

1. Key financial data and trends

(1) Consolidated financial data

Fiscal year		119th	120th	121st	122nd	123rd
Year ended		March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Net sales	(Millions of yen)	11,951,169	11,574,247	9,878,866	7,862,572	8,424,585
Ordinary income (loss)	(Millions of yen)	750,302	546,498	44,049	(221,230)	306,117
Net income (loss) attributable to owners of parent	(Millions of yen)	746,892	319,138	(671,216)	(448,697)	215,533
Comprehensive income	(Millions of yen)	740,338	195,999	(1,084,147)	(41,928)	689,621
Net assets	(Millions of yen)	5,701,710	5,623,510	4,424,773	4,339,826	5,029,584
Total assets	(Millions of yen)	18,739,935	18,952,345	16,976,709	16,452,068	16,371,481
Net assets per share	(Yen)	1,380.36	1,355.18	1,038.95	1,007.80	1,170.17
Basic earnings (loss) per share	(Yen)	190.96	81.59	(171.54)	(114.67)	55.07
Diluted earnings per share	(Yen)	190.96	81.59	—	—	55.07
Net assets as a percentage of total assets	(%)	28.8	28.0	23.9	24.0	28.0
Rate of return on equity	(%)	14.6	6.0	(14.3)	(11.2)	5.1
Price earnings ratio	(Times)	5.78	11.13	—	—	9.95
Cash flows from operating activities	(Millions of yen)	1,071,250	1,450,888	1,185,854	1,322,789	847,187
Cash flows from investing activities	(Millions of yen)	(1,147,719)	(1,133,547)	(708,687)	(369,121)	(146,835)
Cash flows from financing activities	(Millions of yen)	36,810	(127,140)	(155,494)	(639,692)	(1,092,645)
Cash and cash equivalents at end of the period	(Millions of yen)	1,206,000	1,359,058	1,642,981	2,034,026	1,792,692
Employees ( ) represents the average number of part-time employees not included in the above numbers	(Number)	138,910 (19,924) 140,603 (20,290)	138,893 (19,240) 140,564 (19,619)	136,134 (17,597) 137,799 (18,012)	131,461 (16,092) 132,324 (16,235)	134,111 (15,743) 134,114 (15,743)

Notes: 1. *"Accounting Standard for Revenue Recognition"* (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the fiscal year ended March 31, 2022. Key financial data, etc. concerning the fiscal year ended March 31, 2022 is presented as figures after the adoption of these accounting standards, etc.

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

3. Price earnings ratio for the 121st fiscal year and the 122nd fiscal year is not presented because a net loss per share was recorded.

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

(2) Non-consolidated financial data

Fiscal year		119th	120th	121st	122nd	123rd
Year ended		March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022
Net sales	(Millions of yen)	3,750,617	3,644,483	3,157,540	2,489,676	2,409,348
Ordinary income (loss)	(Millions of yen)	197,958	271,869	26,571	99,034	(208,445)
Net income (loss)	(Millions of yen)	129,044	168,552	(342,745)	(72,629)	(114,387)
Common stock	(Millions of yen)	605,813	605,813	605,813	605,813	605,813
Number of shares issued	(Thousands)	4,220,715	4,220,715	4,220,715	4,220,715	4,220,715
Net assets	(Millions of yen)	2,596,797	2,505,945	1,958,610	1,967,322	1,797,360
Total assets	(Millions of yen)	5,073,894	5,124,037	4,854,023	5,705,547	5,074,658
Net assets per share	(Yen)	619.40	597.75	467.19	469.27	428.61
Cash dividends per share (Interim cash dividends included herein)	(Yen) (Yen)	53 (26.5)	57 (28.5)	10 (10)	— (—)	5 (—)
Basic earnings (loss) per share	(Yen)	30.79	40.21	(81.76)	(17.32)	(27.28)
Diluted earnings per share	(Yen)	30.79	40.21	—	—	—
Net assets as a percentage of total assets	(%)	51.2	48.9	40.4	34.5	35.4
Rate of return on equity	(%)	5.0	6.7	(15.4)	(3.7)	(6.1)
Price earnings ratio	(Times)	35.86	22.59	—	—	—
Cash dividends as a percentage of net income	(%)	172.1	141.8	—	—	—
Employees ( ) represents the average number of part-time employees not included in the above numbers	(Number)	22,272 (5,239)	22,791 (5,349)	22,717 (5,148)	22,825 (4,944)	23,166 (4,372)
Total shareholder return (Comparative index: Dividend-included TOPIX)	(%) (%)	107.8 (115.9)	94.8 (110.0)	44.4 (99.6)	68.6 (141.5)	62.7 (144.3)
Highest stock price	(Yen)	1,197.0	1,157.5	966.0	664.5	654.3
Lowest stock price	(Yen)	996.2	835.5	356.2	311.2	436.5

Notes: 1. "*Accounting Standard for Revenue Recognition*" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the fiscal year ended March 31, 2022. Key financial data, etc. concerning the fiscal year ended March 31, 2022 is presented as figures after the adoption of these accounting standards, etc.

2. Diluted earnings per share for the 121st fiscal year, the 122nd fiscal year and the 123rd fiscal year is not presented because a net loss per share was recorded and the Company had no securities with dilutive effects.

3. Price earnings ratio and cash dividends as a percentage of net income for the 121st fiscal year, the 122nd fiscal year and the 123rd fiscal year are not presented because a net loss per share was recorded.

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

2. History

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

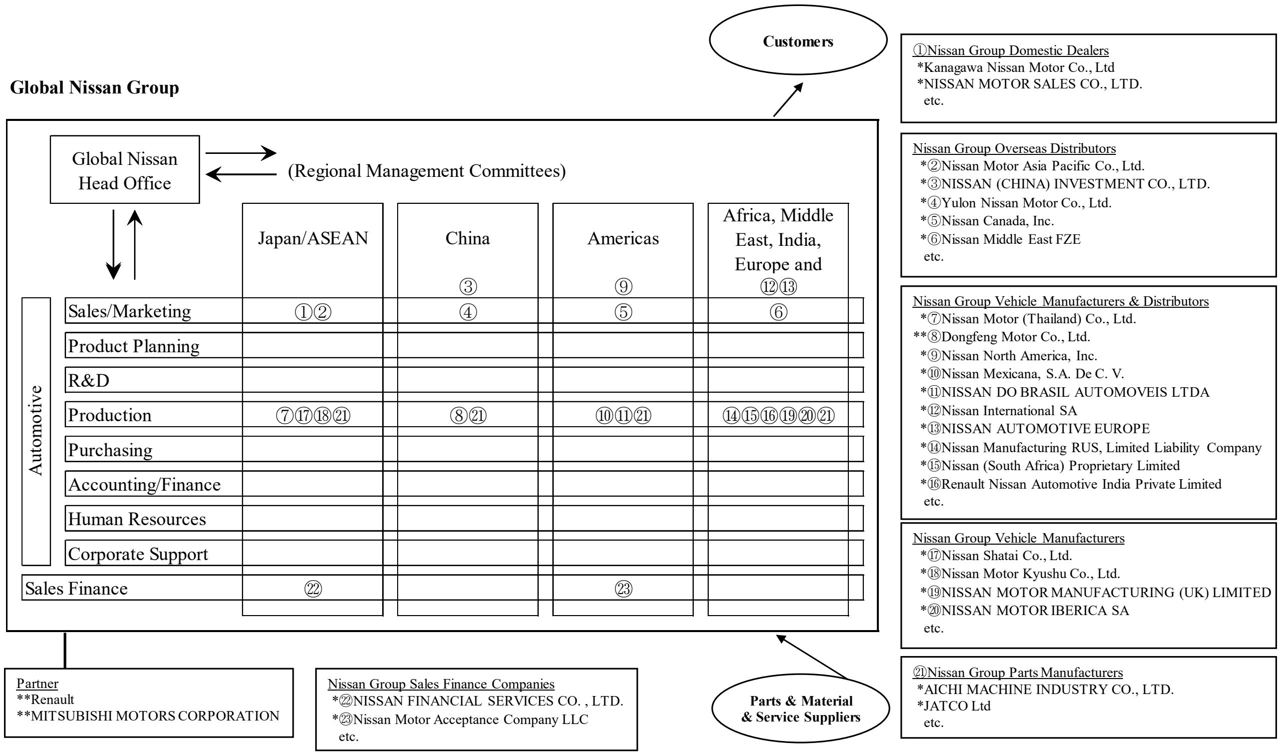
December 1998	Nissan North America, Inc. merged with Nissan Motor Corporation in U.S.A.
March 1999	The Company and Renault (currently an affiliate accounted for by the equity method) signed an agreement for a global alliance in automobile business, including equity participation.
July 1999	The Company sold its business related to the Fuji Plant to TransTechnology Ltd., which merged with JATCO CORPORATION into JATCO TransTechnology Ltd. (currently JATCO Ltd, a consolidated subsidiary).
April 2000	Nissan North America, Inc. merged with Nissan Motor Manufacturing Corporation U.S.A.
March 2001	Production of vehicles was discontinued at the Murayama Plant.
March 2002	Renault increased its stake in the Company to 44.4%.
March 2002	The Company acquired an interest in Renault through Nissan Finance Co., Ltd. (currently a consolidated subsidiary).
March 2002	The Company established Renault-Nissan B.V., a management organization with Renault.
August 2002	Nissan Europe S.A.S. (currently NISSAN AUTOMOTIVE EUROPE; a consolidated subsidiary) was established to reorganize business in Europe.
March 2003	The Company liquidated Nissan Europe N.V.
May 2003	Nissan North America, Inc. established a new plant in Canton, Mississippi.
July 2003	Dongfeng Motor Co., Ltd. (currently an affiliate accounted for by the equity method) commenced its operations in China.
April 2004	The Company made Siam Nissan Automobile (currently Nissan Motor (Thailand) Co., Ltd., a consolidated subsidiary) into a subsidiary through underwriting of third party allocation of new shares.
May 2004	A plant of Dongfeng Motor Co., Ltd., was completed in Huadu, China.
January 2005	The Company made Calsonic Kansei Corporation into a subsidiary through underwriting of third party allocation of new shares.
December 2007	Renault Nissan Automotive India Private Limited (currently a consolidated subsidiary) was established.
January 2008	Nissan International SA (currently a consolidated subsidiary) began managing sales and manufacturing operations in Europe.
August 2009	The Global Headquarters moved to Yokohama.
April 2010	The Company entered into an agreement with Renault and Daimler AG on a strategic cooperative relationship including equity participation.
July 2011	The Company established Nissan Motor Asia Pacific Co., Ltd. (currently a consolidated subsidiary), a regional headquarter in ASEAN.
August 2011	Nissan Motor Kyushu Co., Ltd. (currently a consolidated subsidiary) was incorporated from the Kyushu Plant of the Company as its parent organization.
November 2013	Construction of the second plant of Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), was completed in Aguascalientes, Mexico.
April 2014	Construction of a plant of Nissan Do Brasil Automóveis Ltda. (currently a consolidated subsidiary) was completed in Resende, Brazil.
May 2014	Construction of the second plant of PT. Nissan Motor Indonesia (currently a consolidated subsidiary) was completed in Purwakarta, Indonesia.
May 2016	The Company entered into an agreement with MITSUBISHI MOTORS CORPORATION on a strategic cooperative relationship including equity participation.
October 2016	The Company acquired an interest in MITSUBISHI MOTORS CORPORATION (currently an affiliate accounted for by the equity method) through underwriting of third-party allocation of new shares.
March 2017	The tender offer for the shares of Calsonic Kansei Corporation came into effect and all Calsonic Kansei Corporation's shares held by the Company were sold to CK Holdings Co., Ltd.
June 2017	The Company established Nissan-Mitsubishi B.V. (currently an affiliate accounted for by the equity method), a joint venture company with MITSUBISHI MOTORS CORPORATION.
July 2018	Construction of the Santa Isabel Plant of Nissan Argentina S.A. (currently a consolidated subsidiary) was completed.
June 2019	Transition to a company with three statutory committees
October 2021	Transferred managing sales operation in Europe from Nissan International SA to NISSAN AUTOMOTIVE EUROPE.

3. Description of business

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

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

The Group’s structure is summarized as follows:



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

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

4. Information on subsidiaries and affiliates

(1) Consolidated subsidiaries

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

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number	Millions of yen		
NISSAN FINANCE CO., LTD.	Nishi-ku, Yokohama-shi	2,491	Finance to group companies	100.00	—	—	5	—	282,000 funded as working capital	Lending for the group loan provided for domestic subsidiaries	None
Kanagawa Nissan Motor Co., Ltd	Nishi-ku, Yokohama-shi	90	Selling automobiles and parts	100.00	(100.00)	4	2	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR SALES CO.,LTD.	Minato-ku, Tokyo	480	Selling automobiles and parts	100.00	—	3	1	—	None	Purchasing products manufactured by NML	None
Nissan Buhin Chuo Hanbai Co., Ltd.	Ota-ku, Tokyo	545	Selling parts for automobile repairs	84.05	(37.81)	6	1	1	None	Purchasing parts for repairs from NML	None
Nissan Car Rental Solutions Co., Ltd.	Nishi-ku, Yokohama-shi	90	Car rentals	100.00	(100.00)	—	2	1	None	Purchasing automobiles for car rental business from NML	None
Other domestic consolidated subsidiaries		84 companies									
Total domestic consolidated subsidiaries		99 companies									

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
☆ NISSAN AUTOMOTIVE EUROPE	Montigny-le-Bretonneux, Yvelines, France	Millions of Euro 1,626	Holding company for European subsidiaries, pan-European operational support and management of European sales	100.00	(48.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan International Holding B.V.	Amsterdam, The Netherlands	Millions of Euro 1,932	Holding company for subsidiaries	100.00	—	1	1	—	143,184 funded as working capital	None	None
NISSAN WEST EUROPE	Voisins-le-Bretonneux, Yvelines, France	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR (GB) LIMITED	Rickmansworth, Hertfordshire, United Kingdom	Millions of £ stg. 136	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ NISSAN HOLDINGS (UK) LIMITED	Sunderland, Tyne & Wear, United Kingdom	Millions of Euro 871	Holding company for British subsidiaries	100.00	(100.00)	—	—	—	None	None	None
NISSAN ITALIA S.R.L.	Rome, Italy	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR MANUFACTURING (UK) LIMITED	Sunderland, Tyne & Wear, United Kingdom	Millions of £ stg. 250	Manufacturing and selling automobiles and parts, as well as vehicle development, technical survey, evaluation and certification in Europe	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
◇ Nissan International SA	Rolle, Vaud, Switzerland	Millions of Euro 37	Managing manufacturing operations in Europe	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR IBERICA SA	Barcelona, Spain	Millions of Euro 20	Manufacturing and selling automobiles and parts	99.81	(93.25)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN IBERIA, S.A.	Barcelona, Spain	Millions of Euro 12	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Manufacturing RUS, Limited Liability Company	Sankt-Petersburg, Russia	Millions of Rubles 31,300	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	13,169 funded as working capital	Purchasing products manufactured by NML	None
☆◎ Nissan North America, Inc.	Franklin, Tennessee, U.S.A.	Millions of US$ 1,792	Managing subsidiaries in North America and manufacturing and selling automobiles and parts	100.00	—	—	2	—	330,453 funded as working capital	Purchasing products manufactured by NML	None
☆ Nissan Motor Acceptance Company LLC	Franklin, Tennessee, U.S.A.	Millions of US$ 0	Financing retail and wholesale of automobiles and automobile leases	100.00	(100.00)	—	1	—	None	Providing loans and other for sales finance services for vehicles manufactured by the Company	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
Nissan Global Reinsurance, Ltd.	Hamilton, Bermuda	Thousands of US$ 120	Casualty insurance	100.00	(100.00)	—	1	—	None	Providing casualty insurance	None
Nissan Canada, Inc.	Mississauga, Ontario, Canada	Millions of Can$ 81	Selling automobiles and parts, financing retail and wholesale of automobiles and automobile leases	100.00	(9.09)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan Mexicana, S.A. de C.V.	Mexico, Mexico	Millions of MX Peso 17,049	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ NISSAN DO BRASIL AUTOMOVEIS LTDA	Rio de Janeiro, Brazil	Millions of BRL 7,115	Manufacturing and selling automobiles and parts	100.00	(99.00)	—	—	4	7,701 funded as working capital	Purchasing products manufactured by NML	None
Nissan Motor Co. (Australia) Pty. Ltd.	Mulgrave, Victoria, Australia	Millions of A$ 290	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Motor Egypt S.A.E.	6th of October City, Giza, Egypt	Millions of EG£ (LE) 3,544	Manufacturing and selling automobiles and parts	100.00	(0.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan (South Africa) Proprietary Limited	Rosslyn, South Africa	Millions of Rand 3	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	6,350 funded as working capital	Purchasing products manufactured by NML	None
Nissan New Zealand Limited	Auckland, New Zealand	Millions of NZ$ 51	Selling automobiles and parts	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Middle East FZE	Dubai, UAE	Millions of Dh. 2	Managing operation in Middle East and selling automobiles and parts	100.00	—	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Motor India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 18,900	Selling automobiles and parts	100.00	(100.00)	1	—	—	None	Purchasing products manufactured by NML	None
☆ Renault Nissan Automotive India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 57,732	Manufacturing and selling automobiles and parts	70.00	(45.00)	—	—	—	None	Purchasing products manufactured by NML	None
◇ PT Nissan Motor Indonesia	Kota Bukit Indah, Purwakarta, Indonesia	Millions of IDR 2,592,390	Selling automobiles	75.00	—	1	—	—	22,713 funded as working capital	Purchasing products manufactured by NML	None
Nissan Motor (Thailand) Co., Ltd.	Bangsaothong, Samutpraken, Thailand	Millions of THB 1,944	Manufacturing and selling automobiles and parts	75.00	(75.00)	1	—	2	None	Purchasing products manufactured by NML and selling finished cars to NML	None

<table>
<tr><th rowspan="3">Name of company</th><th rowspan="3">Location</th><th rowspan="3">Capital</th><th rowspan="3">Description of principal business</th><th colspan="2">Percentage of voting rights</th><th colspan="6">Relationship with Nissan Motor Co., Ltd. (“NML”)</th></tr>
<tr><th rowspan="2">Percentage</th><th rowspan="2">(Indirect holdings)</th><th colspan="3">Concurrent positions/offices held by directors</th><th rowspan="2">Loans</th><th rowspan="2">Business transactions</th><th rowspan="2">Leasing of fixed assets</th></tr>
<tr><th>Transferred</th><th>Concurrent</th><th>Dispatched</th></tr>
<tr><td></td><td></td><td></td><td></td><td>%</td><td>%</td><td>Number</td><td>Number</td><td>Number</td><td>Millions of yen</td><td></td><td></td></tr>
<tr><td>※
Yulon Nissan Motor Co., Ltd.</td><td>Miaoli, Republic of China</td><td>Millions of TWD 3,000</td><td>Selling automobiles and parts</td><td>40.00</td><td>—</td><td>—</td><td>1</td><td>2</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td>☆
NISSAN (CHINA) INVESTMENT CO., LTD.</td><td>Beijing, China</td><td>Millions of CNY 8,476</td><td>Managing business in China and selling automobiles and parts</td><td>100.00</td><td>—</td><td>—</td><td>3</td><td>—</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td>Nissan Motor Asia Pacific Co., Ltd.</td><td>Bangsaothong, Samutprakarn, Thailand</td><td>Millions of THB 409</td><td>Operational support and selling automobiles and parts</td><td>100.00</td><td>—</td><td>1</td><td>2</td><td>1</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td>Nissan Chile SpA</td><td>Santiago, Chile</td><td>Millions of CLP 24,269</td><td>Selling automobiles and parts</td><td>100.00</td><td>—</td><td>—</td><td>—</td><td>—</td><td>8,250 funded as working capital</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td>Nissan Otomotiv Anonim Sirketi</td><td>Istanbul, Turkey</td><td>Millions of TRY 106</td><td>Selling automobiles and parts</td><td>100.00</td><td>(100.00)</td><td>—</td><td>1</td><td>—</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td>Nissan Argentina S. A.</td><td>City of Buenos Aires, Argentine</td><td>Millions of ARS 26,594</td><td>Manufacturing and selling automobiles and parts</td><td>100.00</td><td>(98.00)</td><td>—</td><td>—</td><td>—</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td colspan="2">Other foreign consolidated subsidiaries</td><td colspan="10">109 companies</td></tr>
<tr><td colspan="2">Total foreign consolidated subsidiaries</td><td colspan="10">141 companies</td></tr>
<tr><td colspan="2">Total consolidated subsidiaries</td><td colspan="10">240 companies</td></tr>
</table>

(2) Affiliates accounted for by the equity method

<table>
<tr><th rowspan="3">Name of company</th><th rowspan="3">Location</th><th rowspan="3">Capital</th><th rowspan="3">Description of principal business</th><th colspan="2">Percentage of voting rights</th><th colspan="6">Relationship with Nissan Motor Co., Ltd. (“NML”)</th></tr>
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<tr><th>Transferred</th><th>Concurrent</th><th>Dispatched</th></tr>
<tr><td></td><td></td><td></td><td></td><td>%</td><td>%</td><td>Number</td><td>Number</td><td>Number</td><td>Millions of yen</td><td></td><td></td></tr>
<tr><td>#
NISSAN TOKYO SALES HOLDINGS CO., LTD.</td><td>Shinagawa-ku, Tokyo</td><td>Millions of yen 13,752</td><td>Selling automobiles and parts</td><td>34.04</td><td>(34.04)</td><td>2</td><td>—</td><td>—</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
<tr><td># (Note 6)
Renault S.A.</td><td>Boulogne, Billancourt, France</td><td>Millions of Euro 1,127</td><td>Manufacturing and selling automobiles and parts</td><td>15.23</td><td>(15.23)</td><td>—</td><td>2</td><td>—</td><td>None</td><td>Mutual production and joint development of vehicles and parts</td><td>None</td></tr>
<tr><td>Dongfeng Motor Co., Ltd.</td><td>Wuhan, Hubei, China</td><td>Millions of CNY 16,700</td><td>Manufacturing and selling automobiles and parts</td><td>50.00</td><td>(50.00)</td><td>—</td><td>4</td><td>—</td><td>None</td><td>Purchasing products manufactured by NML</td><td>None</td></tr>
</table>

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
# MITSUBISHI MOTORS CORPORATION	Minato-ku, Tokyo	Millions of yen 284,382	Manufacturing and selling automobiles and parts	34.02	—	—	3	—	None	Mutual production and joint development of vehicles and parts	Mutually leasing land, buildings and production facilities with NML
Other affiliates accounted for by the equity method	32 companies										
Total affiliates accounted for by the equity method	36 companies										

Notes: 1. Companies marked ☆ are specified subsidiaries.

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

3. Net sales (excluding intercompany sales within the Group) of the company marked ◎ (Nissan North America, Inc.) exceeded 10% of consolidated net sales for the year ended March 31, 2022. Therefore, the key financial data for Nissan North America, which consolidates the financial data for its 20 subsidiaries and affiliates, are shown below. For those companies that have not prepared their stand-alone financial statements as of the filing date of this Securities Report, the key financial data is based on the financial information of the companies that the Company obtained to prepare the consolidated financial statements.

(1) Net sales	¥3,364,042 million
(2) Ordinary income	¥317,673 million
(3) Net income	¥151,069 million
(4) Net assets	¥1,050,375 million
(5) Total assets	¥5,968,538 million

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

5. Companies marked with ◇ are subsidiaries for which liabilities exceed total assets. At the end of fiscal year ended March 31, 2022, the amount by which liabilities exceeded assets was ¥16,013 million for Nissan International SA and ¥19,667 million for PT Nissan Motor Indonesia. For foreign consolidated subsidiaries that have not prepared their stand-alone financial statements as of the filing date of this Securities Report, the amount by which liabilities exceeded assets is based on the financial information of the companies that the Company obtained to prepare the consolidated financial statements.

6. Although the exercise of voting rights of the shares in Renault directly and indirectly held by the Company is restricted in accordance with the Commercial Code of France, the Company had accounted for its investment in Renault by the equity method as the Company was able to exercise significant influence over Renault's financial and operating policies. The Company was able to exercise significant influence over Renault's financial and operating policies through the possession of 50% of voting rights in the management company (Renault-Nissan B.V.) and the appointment of a half of its managing directors, comprising 50% of the management board of Renault-Nissan B.V., which had the power to decide important business matters for each of Renault and the Company based on the Articles of Incorporation or on a management agreement. Also, Renault is treated as other associated company because it holds 43.7% of the voting rights of the Company.
The management agreement expired on April 16, 2022.
However, the Restated Alliance Master Agreement (the "RAMA") between the Company and Renault remains effective, and two members of the current board of directors of Renault were appointed based on the nomination by the Company. On March 12, 2019, a memorandum of understanding was executed among the Company, Renault, and Mitsubishi Motors Corporation. In accordance with this memorandum of understanding, the Alliance Operating Board was created and has been functioning as a body overseeing the operations and governance of the Alliance. The important matters concerning the Alliance are discussed at the Alliance Operating Board, and these matters have a significant influence on each company's operation.
Considering the above, the Company accounts for its investment in Renault by the equity method as the Company continues to exercise significant influence over Renault's financial and operating policies.

5. Employees

(1) Consolidated group companies

(As of March 31, 2022)

Geographical segment	Number of employees	
Japan	60,145	(14,498)
North America	36,969	(170)
(the United States of America included therein)	16,895	(1)
Europe	12,827	(659)
Asia	18,367	(80)
Other overseas countries	5,803	(336)
Total	134,111	(15,743)

Notes:1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2022, and are not included in the number of full-time employees.

2. The number of employees engaged in sales finance business was 4,497 (230).

(2) The Company

(As of March 31, 2022)

Number of employees		Average age (Years)	Average years of service (Years)	Average annual salary (Yen)
23,166	(4,372)	41.9	16.5	8,110,304

Notes: 1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2022, and are not included in the number of full-time employees.

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

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

(3) Trade union

Most of the Company's employees are affiliated with the NISSAN MOTOR WORKERS' UNION, for which the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS, and the Japanese Trade Union Confederation (RENGO) through the CONFEDERATION OF JAPAN AUTOMOBILE WORKERS' UNIONS. The labor-management relations of the Company are stable, and the number of union members was 26,108 including those of Nissan Motor Kyushu Co., Ltd. as of March 31, 2022.
At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS.
At foreign Group companies, employees' rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country.

2. Business Overview

1. Management policy, management environment, and issues to be addressed

(1) 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’etre, 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.

To achieve this goal, the Company announced on November 29, 2021, a long-term vision, Nissan Ambition 2030. In this vision, Nissan set the slogan as “Empowering Mobility and Beyond” and aimed to deliver two value propositions of “Empowering journeys” and “Empowering Society”. To do so, we will drive innovation in the following fields.

<Accelerating electrified mobility with diverse choices and experiences>
Electrification is placed at the core of the Company’s long-term strategy. Based on customer demands for a diverse range of exciting vehicles, the Company will introduce 23 new electrified models, including 15 new EVs by fiscal year 2030, aiming for an electrification mix of more than 50% globally across the Nissan and INFINITI brands. In order to achieve this objective, the Company aims to achieve an electrification mix of more than 40% globally by fiscal year 2026 through an investment of approximately 2 trillion yen and the introduction of 20 new EV and e-POWER equipped models.

< Increasing accessibility and innovation in mobility >
The Company will continue to evolve its lithium-ion battery technologies and introduce cobalt-free technology to bring down the cost by 65% by fiscal year 2028. The Company aims to launch EV with its proprietary all-solid-state batteries (ASSB) by fiscal year 2028 and set up a pilot plant in Yokohama as early as fiscal year 2024. With the introduction of breakthrough ASSB, we will be able to expand its EV offerings across segments and offer more dynamic performance.
In addition, the Company seeks to establish a global battery supply system to meet growing customer vehicle demand and support the growing number of EVs in use. Furthermore, by delivering advanced driving assistance and intelligence technologies, the Company aims for a world of zero deaths in traffic incidents and evolve diversified means of transportation. For this, the Company aims to expand ProPILOT technology to over 2.5 million Nissan and INFINITI vehicles by fiscal year 2026. Also, the Company aims to complete the development of next generation LiDAR systems by the mid-2020s and to be introduced on every new models by fiscal year 2030.

<Global ecosystem for mobility and beyond>
In addition to technology upgrade, the Company will localize manufacturing and sourcing to make EVs more competitive. The Company will expand the “EV36Zero”, an EV Hub creating a world-first EV manufacturing ecosystem, which was launched in the UK to core markets including Japan, China and the U.S. EV36Zero is a fully integrated manufacturing and service ecosystem connecting mobility and energy management with the aim of realizing carbon neutrality. Along with 4R Energy, the Company’s refurbishing infrastructure will support a circular economy in energy management, and the Company aims to fully commercialize its vehicle-to-everything and home battery systems in the mid-2020s.

The Company implemented a production line at its Tochigi Plant in Japan featuring the Nissan Intelligent Factory initiative, which would support the manufacture of next-generation vehicles using innovative technologies and started production of the all-new “Nissan ARIYA” crossover EV. Also, the Group expanded the “Electrify Japan = Blue Switch” action to the ASEAN region and is making efforts to solve local issues and realize a sustainable society by using electric vehicles as mobile storage batteries in collaboration with local governments and companies.

Deeper collaboration with Alliance partners is also one of the essential factors to achieve our long-term vision. On January 27, 2022, the Company, Renault and MITSUBISHI MOTORS CORPORATION (hereinafter the “member companies”) announced “Alliance 2030”. This includes the common projects and roadmaps to strengthen our competitiveness and profitability by leveraging each of its strengths and complementing each other through our collaboration scheme. In this plan, the Alliance announced key initiatives such as investment of more than 23 billion Euros in the next five years, enhanced usage of common platforms, and reinforcement on common battery strategy for securing a global 220 GWh production capacity. Implementing this roadmap, the alliance will offer benefits to the three-member companies and their customers. After announcing its new cooperation business model on May 27, 2020, to support member-company competitiveness and profitability, the Alliance is now based on solid foundations, benefits from an efficient operational governance organization and from intensified as well as flexible cooperation. Continuing the Leader-Follower scheme defined, select technology is developed by one leading team with the support of the followers, thereby allowing each member of the Alliance to access all the key technologies.

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.

For many years until 2019, the Company expanded its business scale (production capacity) centered on emerging markets with the assumption that demand would 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 poor business performance.

In order for the Company to recover, it was necessary to fundamentally revise the way in which its conventional businesses proceed and many strict efforts were required. At the same time, it meant that all employees must work together to devote themselves to enhancing 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 needed 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 is focusing on two priority areas.

The first is optimization. The Company is executing a solid plan aimed at structural reforms in the business, cost reduction and efficiency improvement. The Company is focusing on expanding profits, improving profitability and extending its strengths, regardless of scale and market share, to become leaner. As a concrete measure, the Company is optimizing its production capacity and organizing 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 priority and focus. The Company is refocusing its efforts on core competencies in priority markets, main products and priority technologies while leveraging the power of the Alliance. Through creation of products that change the perspective of customers, the Company will establish a business foundation that allows it to challenge the competition more strongly than ever.

By implementing the plan, Nissan aims to achieve a 5% operating profit margin and a sustainable global market share of 6% by the end of 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 are now concentrating on our core competencies and enhancing the quality of our business, while maintaining financial discipline and focusing on net revenue per unit to achieve profitability. This coincides with the restoration of a culture defined by "Nissan-ness" for a new era.

The road to recovery is not easy but the Company will put forth its entire power to overcome it. Although the automobile industry has reached a major turning point, the Company aims 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.

Nissan will recover by the end of fiscal year 2023 and generate healthy free cash flows in the automobile segment. In fiscal year 2021, Nissan achieved positive net income attributable to owners of parent, and free cash flows in the automobile business in the second half of the year. Nissan must deliver value for customers around the world. To do this, we must make breakthroughs in the products, technologies and markets where we are competitive. This is Nissan's DNA. In this new era, Nissan remains people-focused, to deliver technologies for all people and to continue addressing challenges as only Nissan can.

(2) FY2021 business environment and major Key Performance Indicators

The global economy for the current fiscal year remained challenging, affected by external factors such as the COVID-19 pandemic, the semiconductor shortage, soaring raw material prices and the geopolitical issues surrounding Russia and Ukraine. However, the Company has steadily executed its business transformation plan, NISSAN NEXT, and continued to strengthen its business foundation, improve the quality of sales, and introduce new products.

As a result, the Group's operating results, objectives and achievements are as follows.

Global sales of the Group (on a retail basis) for the year ended March 31, 2022 decreased by 4.3% year on year to 3,876 thousand units. However, net sales of the Group for the year ended March 31, 2022, totaled ¥8,424.6 billion, which represents an increase of ¥562.0 billion (7.1%) relative to net sales for the prior fiscal year. Operating income was ¥247.3 billion for the current fiscal year, improving by ¥398.0 billion from the prior fiscal year. The Group exceeded NISSAN NEXT milestone of 2% operating profit margin on China joint venture proportionate basis for the year ended March 31, 2022.

The Group revisited the six categories of the prior fiscal year's objective and decided to use the seven categories for the current fiscal year, which are sales volume (on a retail basis), operating profit, marginal profit, fixed costs, free cash flows in the automobile business (China joint venture proportionate basis), quality and employee engagement. These performance indicators are of critical importance to the second year of the NISSAN NEXT plan. With respect to sales volume (on a retail basis), operating profit, marginal profit, and fixed costs, in principle, the target levels were designed taking into consideration the levels that are necessary to achieve break even as well as frequent supply chain disruptions and unstable factory production and managed as a set to optimize profitability. The achievement ratios for those indicators on China joint venture proportionate basis were 125%. Similarly, in principle, the target for free cash flow in the automobile business was set by taking into consideration the levels that are necessary to achieve break even as well as supply chain disruptions. The result exceeded the target level, resulting in an achievement ratio of 109% on China joint venture proportionate basis. For quality, FY2021 target was comprised of elements of quality guarantee and customer satisfaction, and the achievement ratio was 100%. For employee engagement, the Company has set the target figures based on external benchmarks (based on employee survey results conducted at other global companies), and the achievement ratio was 67%. The total achievement ratio was 115%.

(3) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the fiscal year ended March 31, 2022, are as follows.

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Act (FIEA) (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Companies Act (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violating the FIEA. 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 7.8 million Euros to Ghosn from Nissan-Mitsubishi B.V. ("NMBV"), which is 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 NMBV, despite the fact that no contract had been approved by the NMBV'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 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.

On March 3, 2022, the Company received from the Tokyo District Court a guilty judgment regarding the violation of the FIEA (submission of annual securities reports containing false statements) and was ordered a penalty of 200,000,000 yen. The Company treats the judgment with utmost seriousness, and after careful consideration of the principal penalty and the findings in the judgment, the Company has decided not to appeal. Since the Company and the prosecutors did not appeal against the guilty judgment on the Company within the period determined by the Criminal Procedure Act, the judgement has been finalized.
On April 26, 2022, pursuant to the provisions of Article 185-8-6 of the FIEA, the FSA modified the penalty by deducting 200,000,000 yen, which is equal to the criminal penalty in the judgment, thereby making the total amount of the administrative penalty 2,224,895,000 yen. This administrative monetary penalty has been paid in full.

Also, in an unfair dismissal lawsuit filed in the Amsterdam District Court by Ghosn against NMBV and another Nissan's subsidiary, NMBV brought a counterclaim against Ghosn for repayment of the sums Ghosn appropriated unlawfully from NMBV. On May 20, 2021, The Amsterdam District Court dismissed Ghosn's claims and ordered Ghosn to return roughly 5 million Euros. On August 20, 2021, Ghosn submitted the statement of appeal to the Amsterdam Court of Appeal.

One of the residences purchased for personal use as a result of misuse of company funds by Ghosn has been sold.

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 in Japan, the Company has filed lawsuits against Carlos Ghosn on February 12, 2020, and Greg Kelly, the former Representative Director of the Company, on January 19, 2022, 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 measures to recover damages, in order to account for the responsibility of the former chairman and others.

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

2. Business and other risks

With regard to disclosure in the Business Overview, Financial Information and other parts of this Securities Report, the significant items which may affect the decisions of our investors can be grouped under the following risk factors.
Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as of June 30, 2022.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

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

(2) Situation regarding resources and energy

The demand for products and services provided by the Group largely varies depending on rapid changes in the situation surrounding various resources and energy as represented by the hike of prices of crude oil, natural gas, renewable energy, etc. If gasoline prices continue to rise, consumer demand is forecast to shift to products with better fuel consumption and overall demand could decline in case of further hikes in gasoline prices. In addition to traditional automobile materials such as iron, aluminum and resin, if prices of precious metal such as lithium, cobalt, nickel, rhodium and palladium fluctuate drastically beyond normal expectation, the Group's financial position and business performance could be affected due to deterioration in operating performance and/or opportunity loss.

2. Rapid changes and moves in the automobile market

The automobile industry is currently experiencing intensified market competition worldwide. To win given such intense competition, the Group maximizes its efforts in all aspects of technology development, product development and marketing strategy to timely provide products and services that address customer needs. Nevertheless, the failure to timely provide products and services that address customer needs or improper responses to environmental and/or market changes could have a significant effect on the Group's financial position and business performance.

Demand might decrease or change due to the progress of negative factors such as a decline in population, the aging society and a dwindling birthrate in a mature market, whereas demand might considerably increase in emerging markets. These changes or trends might generate favorable results for the Group with a rise in business opportunities but could result in an adverse effect on the Group's financial position and business performance due to an excessive dependency on certain products and/or regions unless appropriate forward-looking steps are undertaken.

In addition, the rapid spread of electrified vehicles and stricter regulations on greenhouse gas emissions around the world require an initiative aiming for carbon neutrality across the whole life cycle of cars. Delays in our responses to these social and environmental requirements could affect the Group's financial position and business performance.

Furthermore, in recent years, Advanced Driver-Assistance Systems have been onboard several vehicle models and some products are currently being marketed, which will bring about strong momentum for future growth toward the next-generation automobile society with further evolution of driver-assistance technology. To this end, it is indispensable to cooperate with regulatory agencies in each country, and for automobile manufacturers and the companies with cutting-edge technologies to collaborate in formulating new rules for driving on public roads. On the other hand, countries and vehicle manufacturers are facing fierce competition in the development of new technology, which could have a significant effect on the Group's business performance and financial position due to possible increases in development expenses and vehicle costs.

In the future, the conventional business model of "automobile manufacturers produce and sell vehicles as hardware, whereas customers purchase, own and use such vehicles" is expected to change substantially with the propagation of several promising business categories such as car sharing, ride sharing and robot taxi service.
In addition, it is expected that the core added value of cars, that is, the performance of vehicles as hardware, might shift to software-based value such as "what kind of experience can cars provide to customers including services related to cars."
As a result, the attractiveness of software will become the key to differentiation from other companies, and the know-how and expertise of the Group in developing and mass-producing of vehicles, which have been our strengths, may become less valuable.

In anticipation of these expected changes, there are movements to enter the market from outside the traditional automobile industry, including new mobility.
In response to these movements, in November 2021, the Company announced a long-term vision, "Nissan Ambition 2030" with a slogan "Together we empower mobility and beyond," which states what the Company wishes to be in 2030. This vision shows our direction toward the future to stakeholders in order to achieve the Company's corporate purpose and embraces our beliefs and commitment to improving the mobility of people and widening the potential of a society with our partners, aiming to realize a cleaner, safer and more inclusive world. Under the vision, the Group is advancing hardware (electricity, intelligence, autonomous driving, strengthening connectivity functions) and enhancing software (proposing new added value by strengthening connected functions). Aiming for this, the Group is actively investing in development, hiring and training diverse human resources, strategically collaborating with companies in different industries, and collaborating with start-up companies.

However, if changes occur at a rate and to a scope beyond expectations, and the Group is unable to respond adequately to such changes, the Group may not be able to maintain its advantage over new competitors and may lose its competitiveness.

3. Risks related to the financial market

(1) Fluctuations in foreign currency exchange rates

The Group's finished cars, are produced in 17 markets, and are sold in approximately 160 markets. The Group's procurement activities for raw materials, parts/components and services are conducted in many countries.

As the consolidated financial statements of the Group are calculated and presented in Japanese yen, the appreciation of the yen against other currencies adversely affects Group's financial business performance, in general. In contrast, the depreciation of the yen against other currencies favorably affects Group's financial business performance. Any sharp appreciation of the currencies of countries where the Group manufactures vehicles could lead to increases in production costs that would adversely affect the Group's competitiveness.

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

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

The rise in market interest rates and the rise in commodity price could have an effect on the Group's financial position and business performance.

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

(3) Marketable securities price risk

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

(4) Liquidity risk

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

(5) Sales financing business risk

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

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

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

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

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

(6) Counterparty credit and other related risks

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

In March 2022, Marelli Holdings Co., Ltd. together with a part of its subsidiaries including Marelli Corporation, who is one of the core suppliers for the Group, made an application for an Alternative Dispute Resolution on Business Revitalization ("Business Revitalization ADR"), one of the Japanese extra-judicial dispute-settlement procedures, and commenced discussion about a business revitalization plan with its creditors mainly constituted of bank lenders. On June 24, 2022, the applicant was not able to get all bank lenders' agreement on its business revitalization plan, and Rehabilitation proceeding commenced instead assuming transition to Simplified Rehabilitation scheme under the Civil Rehabilitation Law. As Simplified Rehabilitation is designed as a scheme where an applicant company continuously operates its business, impact to the Group's business is expected to be limited given current status of the discussion. However, if the simplified rehabilitation plan does not progress as expected, it may trigger credit incident of such supplier, and possible suspension or delay of supply, or a deficiency in supply from this supplier may happen. This could lead to the Group's production suspension, delay, cut or increase of financial burden, cost and thereby may significantly affect Group's financial position and business performance.

(7) Employee retirement benefit expenses and obligations

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

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

(1) Risks involved in international activities and overseas expansion

The Group's products finished cars are produced in 17 markets, and are sold in approximately 160 markets. The Group forecasts and sufficiently evaluates a wide variety of risks inherent in conducting business in overseas markets including the factors noted below. Nevertheless, as seen with the unstable state of the world caused by the situation between Russia and Ukraine, each of these factors could entail unpredictable risks or a greater-than-anticipated level of risk at any place in our overseas presence without achieving the planned rate of capacity utilization and/or profitability, which could have effects on the Group's financial position and business performance.

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

(2) Research and development

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

(3) Collaboration with other corporations

In order to achieve "Nissan Ambition 2030," the Group may collaborate with other corporations that have excellent technologies and services to effectively acquire higher competitiveness within the short term. This could include strategic alliances with corporations from different sectors beyond industry boundaries, in addition to alliance with conventional automobile businesses, with a view of anticipated transformation of the business model in future. However, the anticipated results might not be achieved depending on the market environment of the business field concerned and/or changes in technological trends and the progress of collaborative activities with allied partners, which could adversely affect the Group's business performance.

(4) Quality of products and services

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

(5) Risks associated with climate change

The Paris Agreement adopted in 2015 declared that global CO2 emissions that affect climate change shall be scaled back as soon as possible toward the target of net zero emissions of human-driven CO2 emissions by the second half of the 21st century. In addition, national policy and corporate efforts to achieve net zero emissions by no later than 2050 increased since Intergovernmental Panel on Climate Change (IPCC) published 1.5ºC special report in 2018.

The Group's ultimate goal is to hand over abundant natural assets to the next generation by reducing the dependence on the environment and the environmental impact, both of which derive from its business operations and/or its vehicles, to a level controllable or absorbable by nature. To this end, the Group is committed, hand-in-hand with suppliers, to reducing CO2 emissions at every stage of its value chain from the procurement of raw materials for vehicles to the transportation of vehicles and when vehicles are driven. The Nissan Green Program 2022, the medium-term environmental action plan, stipulated global Key Performance Indicators (KPIs) and target values at the respective stages, and the Group has publicly announced its annual results.

When total automobile value-chain is considered, CO2 emissions when vehicles are used, accounting for 80% or more of the total, are significantly higher compared to the emissions derived from ordinary corporate activities. Therefore they might trigger risks such as climate change-related regulations in the near future (CO2 emissions for vehicles in use were 119,431 kton-CO2 of the 137,610 kton-CO2 in emissions for the entire value chain (a sum of emissions for Scope 1, Scope 2 and Scope 3), both actual performance for fiscal year 2020. Comparable scope 1 and Scope 2 emissions derived from ordinary corporate activities are 738 kton-CO2 and 1,805 kton-CO2, respectively).

Consequently, according to the 2ºC Scenario of IPCC, the Group declared a long-term vision of reducing CO2 emissions discharged from a new car by 90% by 2050 compared to emissions in 2000 and achieved in 2010 for the first time in the world mass-production of EVs that address transition risks of climate change. Future expansion is expected in the global market. Concerning more stringent regulations on fuel consumption and CO2 emissions in Europe and the United States of America, the Group already has implemented the latest electrification technologies such as e-POWER/EV at the occasion of model changes, and expects to assuredly comply with these regulations. In Japan, approximately two-thirds of the passenger vehicles already have been electrified (new car sales basis), and the Group aims to sell one million electric drive vehicles annually by fiscal year 2023. Including such efforts, in the Nissan Green Program 2022, which was announced in 2017, the Group intends to achieve the target of reducing 40% of CO2 emissions discharged from a new car by 2022 (compared to 2000) with these initiatives. In fiscal year 2020, the reduction effect reached 37.4%.

In January 2021, the Group announced a new 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 take initiatives to achieve this new goal by further improving environmental measures and activities for creating social value such as reduction in CO2 emissions and commercialization of electrification technologies.

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

Scenarios	Areas of impact	Opportunities and risks in business activities generated by greater climate change.
1.5ºC	Policies and legal regulations	Development of electric powertrain technologies and increase in production costs in response to more stringent regulations on fuel consumption and exhaust emissions of automobiles.
		Increase in energy costs due to carbon tax expansion and increase in investment in energy saving facilities in response to such tax expansion.
	Technological change	Effect on costs incurred by adopting next-generation automobile technologies such as expansion of EV related technology including vehicle battery and autonomous driving technology.
		Effect resulting from increased demand on the supply chain for rare metals, which are raw materials for vehicle batteries, and increased cost to stabilize such supply chain.
	Market change	Possibility of decrease in number of new vehicles sold caused by choice of public transportation or bicycle and transfer to mobility services by consumers due to their change in awareness.
	(Opportunity)	Increase in provision of electricity management opportunity with Vehicle-to-Everything (V2X), charging/discharging electricity technology for EV, and rediscovery of value of EV (particularly, for Vehicle-to-Grid (V2G)).
4ºC	Abnormal weather conditions	Effects of abnormal weather such as heavy rain and drought on supply chains and operations of production bases, and increases in non-life insurance premiums and air-conditioning costs.
	(Opportunity)	Surge in the need for emergency power sources using EV batteries as a disaster prevention/management measure.

For some of the areas of impact, the Group has begun identifying financial impacts to reconfirm the value and importance of climate change-related risk management. We plan to disclose the results in our sustainability report.

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

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

Aside from the climate change factors described in (5), the automobile industry worldwide is influenced by a broad spectrum of environmental and safety related regulations governing the emission levels of exhaust fumes, CO2/fuel economy guidelines, noise level, chemical substance management, recycling and water resources. These regulations have become increasingly stringent.

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

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

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

(7) Critical lawsuits and claims

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

(8) Protecting intellectual assets

The Group retains technologies and know-how that differentiate its products from those of other companies. These technologies and know-how are indispensable for the future development of the Group, and the Group is making its best efforts to protect these assets.

Although there is a possibility that third parties may infringe on the Group's intellectual assets to manufacture and sell similar products, the Group has established a dedicated department to protect its intellectual assets and strengthen activities to safeguard the achievement of the Group's intellectual activities.

(9) Recruitment and retaining of talented human resources

The Group considers human resources to be a key source of competitiveness including "Monozukuri" and the most important corporate asset. As announced in "Nissan Ambition 2030", the Group will hire over 3,000 employees in the advanced technology field, and focuses its efforts on recruiting talented people globally. Furthermore, the Group is also focusing on investing in human resource development and improving performance evaluation and compensation systems (ex. "business leader development program," "evaluation and compensation systems bases on results" and "systems to support diversified working styles") for developing employees to fulfill their potential. However, competition in the industry to secure talented people is intense. Should appropriate recruitment and/or retention of employees not go according to plan, the Group could experience adverse effects and reduce competitiveness on a long-term basis

(10) Compliance and reputation

In the wake of the issue of the improper treatment of the vehicle inspection for vehicles at domestic production plants, which took place in 2017, the Group has promoted measures to prevent recurrence. Implementation of all 93 items of the planned recurrence preventive measures completed by April 2020 and they remain in operation. The Group continues to strengthen compliance by taking measures such as creation of workspaces that facilitate open communication through plant visits by members of the Management Council and compliance events and compliance education for raising compliance awareness, in particular, so that the vehicle inspection problems do not fade away.

On the other hand, in 2018 and 2019, a former Representative Director of the Company was indicted on suspicion of violation of the Financial Instruments and Exchange Act (charged with submitting false securities reports) and a former Representative Director, Chairman was additionally indicted on suspicion of violation of the Corporate Act (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violation of the Financial Instruments and Exchange 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. In June 2019, the Company submitted an Improvement Measures Report, which states details of the situation and the improvement measures, to the Tokyo Stock Exchange. In January 2020, the Improvement Measures Status Report, which describes status of implementation and operation of the improvement measures, was submitted to the Tokyo Stock Exchange. The Company continues to improve governance, reform the corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.

However, compliance issues apply to any and all actions of all employees, all corporate officers and all directors. Accordingly, it is difficult to completely prevent such incidents unless the entire Company clearly recognizes the importance of compliance and the need to improve the environment for effective adherence thereto, as well as ensuring that every employee, corporate officer or director truly understands the importance of compliance and acts everyday with compliance in mind. Should the needed governance not be fully realized or any compliance violation recur, the social credibility of the Group and trust in its brand or products could be impaired and significantly affect the Group's business performance. In 2020, we designated December 9, the United Nation's International Anti-Corruption Day, as the Nissan Ethics Day. On this day, as a Group-wide initiative, employees of all regions look back over their business conduct and consider how they can practice Nissan's values in their daily work.

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

5. Continuation of business

(1) Large-scale natural disasters

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

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

In the wake of the Great East Japan Earthquake, the Kumamoto Earthquake, the heavy rain in west Japan, Typhoons Faxai and Hagibis in 2019, various unforeseen risks emerged as listed below.

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

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

(2) Purchase of raw materials and parts

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

(3) Dependency on specific suppliers

If procurement of higher technology or higher quality is pursued at more competitive pricing, actual orders might sometimes concentrate on only one or a small limited number of suppliers. In addition, special technologies and special production processes can only be provided by limited suppliers. For example, global shortage of semiconductors continuing since last fiscal year might significantly affect the production plan of the Group. Although the Group has continuously strived to review and strengthen its supply chains, in order to minimize risks, by considering alternative suppliers including secondary and tertiary suppliers and securing raw materials and parts/components in the entire supply chain, a possible suspension of supply due to any unforeseen accident or any delay or deficit in supply could lead to the forced suspension of the Nissan Group's production plants, thereby significantly affecting the Group's financial position and business performance.

In March 2022, Marelli Holdings Co., Ltd. together with a part of its subsidiaries including Marelli Corporation, who is one of the core suppliers for the Group, made an application for an Alternative Dispute Resolution on Business Revitalization ("Business Revitalization ADR"), one of the Japanese extra-judicial dispute-settlement procedures, and commenced discussion about a business revitalization plan with its creditors mainly constituted of bank lenders. On June 24, 2022, the applicant was not able to get all bank lenders' agreement on its business revitalization plan, and Rehabilitation proceeding commenced instead assuming transition to Simplified Rehabilitation scheme under the Civil Rehabilitation Law. As Simplified Rehabilitation is designed as a scheme where an applicant company continuously operates its business, impact to the Group's business is expected to be limited given current status of the discussion. However, if the simplified rehabilitation plan does not progress as expected, possible suspension or delay of supply, or a deficiency in supply from this supplier may happen. This could lead to the Group's production suspension, delay, cut or increase of financial burden, cost and thereby may significantly affect Group's financial position and business performance.

(4) Computer information system

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

To cope with these risk factors, the Group has developed Business Continuity Plan ("BCP") and has taken a variety of hardware-based and software-oriented measures, such as modernization of system and infrastructure and the improvement of cyber security countermeasures.

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

(5) Pandemic risk

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

The COVID-19 pandemic is declining around the world, albeit gradually, and people are learning to coexist with COVID-19 in their social lives and corporate activities.

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

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

However, the COVID-19 outbreak has yet to be completely contained, and in the event of resurgence, risks related to production activities and sales activities could expand and demand could decline worldwide, which could significantly impact on the Group's financial position, such as cash flows and business performance including sales and income.

3. Management's analysis of financial position, operating results and cash flows

(1) Overview of the operating results, etc.

The overview of the Group's financial position, operating results and cash flows (hereinafter the "operating results, etc.") for the current fiscal year is as follows:
"*Accounting Standard for Revenue Recognition*" (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been adopted from the beginning of the fiscal year ended March 31, 2022. For details, please refer to "5. Financial Information [Notes to Consolidated Financial Statements] (Changes in accounting policies)."

1) Financial position and operating results

The global industry volume totaled 78.36 million units for the current fiscal year, an increase of 1.8% year on year. Global sales of the Group (on a retail basis) for the year ended March 31, 2022 decreased by 4.3% year on year to 3,876 thousand units. Net sales of the Group for the year ended March 31, 2022, totaled ¥8,424.6 billion, which represents an increase of ¥562.0 billion (7.1%) relative to net sales for the prior fiscal year. Operating income was ¥247.3 billion for the current fiscal year, improving by ¥398.0 billion from the prior fiscal year.
Net non-operating income was ¥58.8 billion for the current fiscal year, improving by ¥129.3 billion from the prior fiscal year. As a result, ordinary income was ¥306.1 billion, improving by ¥527.3 billion compared with the prior fiscal year. Net special gains of ¥78.1 billion were recorded, improving by ¥196.2 billion from the prior fiscal year. Income before income taxes was ¥384.2 billion, improving by ¥723.5 billion from the prior fiscal year. Finally, net income attributable to owners of parent for the year ended March 31, 2022 was ¥215.5 billion, an improvement of ¥664.2 billion from the prior fiscal year.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year decreased by ¥241.3 billion (11.9%) from the end of the prior fiscal year to ¥1,792.7 billion. This reflected ¥847.2 billion in net cash provided by operating activities, ¥146.8 billion in net cash used in investing activities and ¥1,092.6 billion in net cash used in financing activities, as well as an increase of ¥145.0 billion in the effects of foreign exchange rate movements on cash and cash equivalents and a ¥5.9 billion increase attributable to a change in the scope of consolidation.

3) Production, orders received and sales

a. Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	517,044	445,836	(71,208)	(13.8)
The United States of America	429,157	455,871	26,714	6.2
Mexico	498,079	454,620	(43,459)	(8.7)
The United Kingdom	246,050	181,618	(64,432)	(26.2)
Spain	13,875	18,673	4,798	34.6
Russia	35,278	43,872	8,594	24.4
Thailand	114,108	103,717	(10,391)	(9.1)
Philippines	3,262	—	(3,262)	—
India	144,489	184,686	40,197	27.8
South Africa	18,376	22,032	3,656	19.9
Brazil	44,672	40,973	(3,699)	(8.3)
Argentina	13,465	22,258	8,793	65.3
Egypt	14,569	19,963	5,394	37.0
Total	2,092,424	1,994,119	(98,305)	(4.7)

Note: The figures represent the production figures for the 12-month period from April 1, 2021 to March 31, 2022.

b. Orders received

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

c. Actual sales

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	461,809	417,776	(44,033)	(9.5)
North America	1,126,121	970,301	(155,820)	(13.8)
(the United States of America included therein)	852,932	737,865	(115,067)	(13.5)
Europe	350,059	293,286	(56,773)	(16.2)
Asia	205,594	222,643	17,049	8.3
Other overseas countries	327,761	389,569	61,808	18.9
Total	2,471,344	2,293,575	(177,769)	(7.2)

Note: The figures in China and Taiwan, which are included in "Asia," represent the sales figures for the 12-month period from January 1 to December 31, 2021. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 12-month period from April 1, 2021 to March 31, 2022.

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

The following analysis and discussions of the Group's operating results, etc., from the viewpoint of management are, in principle, based on the consolidated financial statements.
Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of June 30, 2022, the date of filing this Securities Report.

1) Significant accounting policies and estimates

The Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Japan. The preparation of consolidated financial statements requires management to select and apply the accounting policies and to make certain estimates which affect the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. Although management believes that the estimates made reasonably reflect past experience as well as present circumstances, the actual results could differ substantially because of the uncertainty inherent in those estimates.
In preparing the consolidated financial statements, significant estimates are described below. Due to the adoption of the *"Accounting Standard for Disclosure of Accounting Estimates"*, some items that could have a significant impact on the next consolidated fiscal year are described in (Significant accounting estimates) of the 1. Consolidated Financial Statements in 5. Financial Information.

a. Accrued warranty costs

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

b. Retirement benefit expenses

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

2) Recognition, analysis and discussions of the operating results, etc., for the current fiscal year

The results of recognition, analysis and discussions of the Group's operating results and financial position, for the current fiscal year are as follows:

(Operating results)

a. Net sales

Consolidated net sales for the current fiscal year were ¥8,424.6 billion, an increase of ¥562.0 billion (7.1%) year on year mainly due to improvements in the quality of sales and exchange rate fluctuations despite a decrease in sales volume.

b. Operating income

Consolidated operating income totaled ¥247.3 billion, an improvement of ¥398.0 billion from operating loss of ¥150.7 billion for the prior fiscal year, and operating income as a percentage of net sales was 2.9% for the current fiscal year.

Major factors were improvements in the quality of sales, strict cost control and exchange rate fluctuations despite an increase in raw material prices.

c. Non-operating income and expenses

Consolidated net non-operating income of ¥58.8 billion was recorded for the current fiscal year, an improvement of ¥129.3 billion from net non-operating expenses of ¥70.5 billion for the prior fiscal year. This result was mainly due to an improvement in equity in earnings of affiliates.

d. Special gains and losses

Consolidated net special gains of ¥78.1 billion were recorded for the current fiscal year, improving by ¥196.2 billion from net special losses of ¥118.1 billion for the prior fiscal year. This was mainly due to recording of gain on sales of investment securities of ¥76.1 billion due to sales of the shares in Daimler AG held by the Company in the first quarter of the fiscal year ended March 31, 2022.

e. Income taxes

Income taxes for the current fiscal year increased by ¥52.8 billion (57.1%) to ¥145.4 billion from the prior fiscal year.

f. Net income attributable to owners of parent

Net income attributable to owners of parent for the current fiscal year improved by ¥664.2 billion from the prior fiscal year to ¥215.5 billion.

(Business segments)

a. Automobiles

The Group's worldwide automobile sales (on a retail basis) for the year ended March 31, 2022, decreased by 176 thousand units (4.3%) from the prior fiscal year to 3,876 thousand units. This was mainly due to the semiconductor supply shortage. The number of vehicles sold in Japan decreased by 10.3% to 428 thousand units. Vehicles sold in China decreased by 5.2% to 1,381 thousand units. Those sold in North America including Mexico and Canada decreased by 2.4% to 1,183 thousand units, those sold in Europe decreased by 13.3% to 340 thousand units and those sold in other overseas countries increased by 5.9% to 543 thousand units.

Net sales in the automobile business (including inter-segment sales) for the current fiscal year increased by ¥486.6 billion (7.0%) from the prior fiscal year to ¥7,475.7 billion.

Operating loss was ¥155.0 billion, improving ¥282.0 billion from the prior fiscal year. This was mainly due to revenue enhancement as a part of improvements in the quality of sales, benefits from the supply-demand balance resulting from the semiconductor supply shortage and exchange rate fluctuations despite an increase in raw material prices.

b. Sales finance

Net sales in the sales finance business (including inter-segment sales) for the year ended March 31, 2022 increased by ¥11.7 billion (1.1%) from the prior fiscal year to ¥1,031.7 billion. Operating income increased by ¥106.9 billion (39.9%) from the prior fiscal year to ¥374.8 billion mainly from sales finance companies in the United States of America due to the release of credit loss provisions, an increase in used vehicle prices, and improvement of portfolio quality.

(Geographic segments)

a. Japan

In the Japan market, TIV decreased by 9.5% year on year to 4.22 million units. The Group's sales (on a retail basis) decreased by 10.3% from the prior fiscal year to 428 thousand units due to the semiconductor shortage and suspension of shipment of "ROOX." The Group's market share decreased to 10.2%, down 0.1 percentage point year on year. As a result, net sales in Japan (including inter-segment sales) for the current fiscal year decreased by ¥85.9 billion (2.7%) from the prior fiscal year to ¥3,122.1 billion. The Group recorded an operating loss of ¥229.8 billion, deteriorating by ¥26.7 billion from the prior fiscal year mainly due to an increase in raw material prices and a decrease in the number of vehicles sold (including exports).

b. North America

In the North America market, including Mexico and Canada, TIV decreased by 2.4% to 17.07 million units. The Group's sales (on a retail basis) in North America decreased by 2.4% to 1,183 thousand units. Net sales in North America (including inter-segment sales) for the current fiscal year increased by ¥370.0 billion (9.3%) to ¥4,345.2 billion. Operating income was ¥330.7 billion, improving by ¥284.4 billion (613.7%) from the prior fiscal year. This improvement was mainly from an increase in net revenue per unit mainly through improvement of our brand with renewed attractive product lineup and strict control of sales incentives as well as the increase in profit of sales finance businesses partially offset by an increase in raw material prices and a decrease in the number of vehicles sold.

In the United States of America market, TIV decreased by 3.4% to 14.47 million units. Although the sales of the all-new "Rogue" and all-new "Frontier" were strong, the Group sold (on a retail basis) 893 thousand units, down 3.7% from the prior fiscal year due to the semiconductor supply shortage. The Group's market share was 6.2%, remaining nearly flat from the prior fiscal year.

c. Europe

In the Europe market, TIV decreased by 3.3% to 15.50 million units. The Group sold (on a retail basis) 289 thousand units in the Europe market, excluding Russia, down 11.9% from the prior fiscal year. The Group's market share decreased by 0.2 percentage points to 2.1%. In addition, the Group's sales (on a retail basis) in Russia decreased by 20.1% to 51 thousand units. Net sales in Europe (including inter-segment sales) for the current fiscal year were ¥1,107.2 billion, an increase of ¥12.1 billion (1.1%) from the prior fiscal year. Operating loss of ¥28.4 billion was recorded, improving by ¥2.3 billion from the prior fiscal year mainly due to an increase in net revenue per unit led by successful launch of the all-new "Quashqai" as well as strict control of sales incentives and pricing.

d. Asia

Sales volume in the Asia market, excluding China, decreased by 0.8% to 145 thousand units. Net sales in Asia (including inter-segment sales) for the current fiscal year increased by ¥123.1 billion (10.7%) from the prior fiscal year to ¥1,279.8 billion. Operating income for the current fiscal year was ¥94.4 billion, an increase of ¥71.2 billion (307.4%) from the prior fiscal year.

In the China market, TIV increased by 5.0% to 24.61 million units. Although the sales of the "Sylphy," "Altima" and other models were strong, due to the semiconductor supply shortage, the Group's sales (on a retail basis) in China decreased by 5.2% from the prior fiscal year to 1,381 thousand units, accounting for a market share of 5.6%, decreasing by 0.6 percentage points. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., are reflected as equity in earnings or losses of affiliates in non-operating income or expenses.

e. Other overseas countries

In other markets, consisting of Oceania, Middle East, South Africa and Central and South America excluding Mexico, etc., the Group's sales volume (on a retail basis) increased by 8.5% to 398 thousand units. The Group's sales volume (on a retail basis) in Central and South America market increased by 19.7% year on year to 169 thousand units. The Group's sales volume (on a retail basis) in the Middle East decreased by 0.9% year on year to 116 thousand units. The Group's sales volume (on a retail basis) in the Africa market such as South Africa increased by 10.0% to 68 thousand units. Net sales in other markets consisting of the aforementioned regions (including inter-segment sales) for the current fiscal year increased by ¥242.7 billion (38.9%) from the prior fiscal year to ¥866.6 billion. Operating income was ¥55.7 billion, an increase of ¥54.2 billion from the prior fiscal year.

(Analysis of sources of capital and liquidity)

a. Cash flows

(Cash flows from operating activities)
Net cash provided by operating activities decreased by ¥475.6 billion to ¥847.2 billion in the current fiscal year from ¥1,322.8 billion provided in the prior fiscal year. This was mostly due to working capital deterioration mainly from the semiconductor shortage and smaller sales finance portfolio decrease partially offset by improved profitability.

(Cash flows from investing activities)
Net cash used in investing activities decreased by ¥222.3 billion to ¥146.8 billion in the current fiscal year from ¥369.1 billion used in the prior fiscal year. This was mainly due to an increase in proceeds from sales of Daimler AG shares.

(Cash flows from financing activities)
Net cash used in financing activities increased by ¥452.9 billion to ¥1,092.6 billion in the current fiscal year, from ¥639.7 billion used in the prior fiscal year. This was mainly due to a decrease in new funding.

As the cash and cash equivalents in the automobile business as of the end of the current fiscal year exceeded interest-bearing debt, the Group had a net cash position of ¥728.0 billion, and the free cash flows in the automobile business for the current year were negative ¥294.7 billion.

Information by segments is as follows

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(76,490)	1,399,279	1,322,789
Cash flows from investing activities	(314,530)	(54,591)	(369,121)
Subtotal: Free Cash flows	(391,020)	1,344,688	953,668
Cash flows from financing activities	733,152	(1,372,844)	(639,692)

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(182,183)	1,029,370	847,187
Cash flows from investing activities	(112,560)	(34,275)	(146,835)
Subtotal: Free Cash flows	(294,743)	995,095	700,352
Cash flows from financing activities	(40,069)	(1,052,576)	(1,092,645)

Year-on-Year Comparison

(Millions of yen)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	(105,693)	(369,909)	(475,602)
Cash flows from investing activities	201,970	20,316	222,286
Subtotal: Free Cash flows	96,277	(349,593)	(253,316)
Cash flows from financing activities	(773,221)	320,268	(452,953)

b. Financial policies

Financial activities within the Group are managed centrally by the Finance and Accounting Department of the Company. The Group is engaged in activities to improve cash efficiency through the implementation of a global cash management system.
The Group has developed a basic financial strategy under which the Group raises funds from appropriate sources and maintains an appropriate level of liquidity and a sound financial position so that the Group can make investments in research and development activities, capital expenditures and its finance business on a timely basis.
The Group manages the investments in research and development activities and capital expenditures at a relatively constant rate against annual sales. The Group plans to focus our business resources on core markets, core models and core technologies. The Group focuses on the quality of the financial assets and invests in its sales finance business. The Group decides the distribution of dividends to shareholders, considering various factors including profits and free cash flows.
The Group had ¥1,701.0 billion of cash and cash equivalents in the automobile business and approximately ¥1,910.3 billion of committed lines available for drawing as of March 31, 2022. 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 ¥ 2,385.1 billion with multiple financial institutions after April 2020 including issuing USD and EUR denominated bonds, and ¥704.4 billion has been repaid as of the filing date of this Securities Report. It is necessary to pay careful attention to the liquidity of the Group in view of the global semiconductor shortage and the impact from COVID-19 etc. However, as the Group has entered into loan commitment agreements with major international banks in addition to the cash and cash equivalents as above, the Group believes that a level of liquidity sufficient to meet the Group's funding requirements is being maintained.
Whether or not the Group can raise funds without collateral and the related costs depends upon the credit rating of the Group. Currently, the Group's credit rating is investment grade, however, this favorable rating is not presented herein with the intention of inviting the purchase or holding of the Group's debt securities.

4. Important business contracts

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

As to the important business contract with Renault, to enhance the governance and increase transparency, parts of its contents are disclosed as follows to the extent that would not conflict with contractual obligations of confidentiality.

(History : AEPA ～ RAMA)
On March 27, 1999, Nissan entered into the Alliance and Equity Participation Agreement (the "AEPA") with Renault. In accordance with the provisions of the AEPA, Renault acquired 36.8% of the outstanding shares of Nissan and subscribed for share subscription warrants that would enable it to increase its shareholding ratio up to 44.4% of the issued shares of Nissan. On the other hand, it was agreed that Nissan would have an opportunity to acquire shares in Renault in the future.
In March 2002, Renault increased its shareholding ratio in Nissan to 44.4% by exercising the share subscription warrants. In March and May 2002, Nissan acquired a 15% stake, in total, in Renault, through Nissan Finance Co., Ltd., a wholly owned subsidiary of Nissan, by participating in two reserved share capital increases of Renault.
The exercise of the voting rights attached to the shares in Renault held by Nissan through Nissan Finance Co., Ltd. is restricted in accordance with the Commercial Code of France.
In the course of this process, the AEPA was amended by the Alliance Master Agreement executed on December 20, 2001, as well as by the Restated Alliance Master Agreement (the "RAMA") executed on March 28, 2002. Further, the RAMA was amended by the initial amendment of April 29, 2005, the second amendment of November 7, 2012, and then the third amendment of December 11, 2015.

(Standstill)
Without prior approval of the board of directors of Nissan, Renault is prohibited from acquiring shares in Nissan exceeding 44.4% unless a third party acquires or announces that it intends to acquire 20% or more of Nissan's shares, or the right to nominate one or more persons on the board of directors of Nissan. Without prior approval of the board of directors of Renault, Nissan group is prohibited from acquiring shares in Renault exceeding 15% unless Renault does not comply with certain principles with respect to its voting rights (see below).

(Nissan director candidate nomination by Renault)
Currently, two members of the board of directors of Nissan have been nominated by Renault pursuant to the RAMA.

(Voting right to be executed by Renault)
Under the third amendment to the RAMA, Nissan may acquire additional shares in Renault without the prior approval of the board of directors of Renault, in the event that Renault does not comply with certain principles including;

- to vote in favor of the resolutions proposed by the board of directors of Nissan to the general shareholders meeting of Nissan for the appointment and dismissal of the members of the board of directors of Nissan (other than candidates nominated by Renault),
- not to make any shareholder proposal without obtaining prior approval of the board of directors of Nissan, and
- not to vote in favor of a shareholder proposal that has not been supported by the board of directors of Nissan.

(Renault-Nissan B.V. History, Expiration of Management Agreement)
On April 17, 2002, in accordance with the RAMA, each of Nissan and Renault s.a.s., a wholly owned subsidiary of Renault, entered into a management agreement with a fixed term of 10 years (the "Management Agreement") with Renault-Nissan B.V., a company jointly and equally owned by Renault and Nissan. Under each Management Agreement, Nissan and Renault s.a.s. delegated to Renault-Nissan B.V. the power to decide and propose certain matters concerning the business of each company. In April 2012, each Management Agreement was renewed for another 10-year period. However, since 2019, when it carried out the fundamental improvements of its governance, Nissan has decided that all major matters concerning Nissan's business require decisions of the board of directors of Nissan. The Management Agreement between Nissan and Renault-Nissan B.V. expired on April 16, 2022.

(Establishment of Alliance Operating Board, Overseeing the Alliance operation)
On March 12, 2019, a memorandum of understanding was executed among Nissan, Renault and Mitsubishi Motors Corporation. In accordance with this memorandum of understanding, the Alliance Operating Board was created and has been functioning as a body overseeing the operations and governance of the Alliance. The Alliance Operating Board has de facto replaced Renault-Nissan B.V. in its governance functions.

5. Research and development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields in order to realize a sustainable mobility society in the future.

The research and development costs of the Group amounted to ¥484.1 billion for the current fiscal year.

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

(1) Research and development organization

In Japan, the Group's research and development activities are centered on the Nissan Technical Center (Atsugi City, Kanagawa Prefecture), with vehicle development handled by Nissan Shatai Co., Ltd., and NISSAN AUTOMOTIVE TECHNOLOGY CO., LTD., and unit development by JATCO Ltd, and other related companies, all of which work closely with the Company.

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

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

NISSAN DO BRASIL AUTOMOVEIS LTDA in South America and Nissan (South Africa) Proprietary Limited in South Africa also conducts some development work for locally produced vehicles.

Based on a roadmap of the “Alliance 2030” announced in January 2022, Renault, MITSUBISHI MOTORS CORPORATION and Nissan share respective roles in the development of next-generation technologies, platforms and powertrains to promote their common use in the pursuit of further efficiency in management resources.

(2) Development of new vehicles

In Japan, the Group launched the “Note Aura” and “Nissan Ariya”. Overseas, the Group launched the all-new “QX60,” “QX55,” all-new “Frontier” and all-new “Pathfinder” in North America, the all-new “Qashqai” and “Townstar” in Europe, and the all-new “X-Trail” in China.

(3) Development of new technologies

As for the environment, the group continue to aim to reduce 40% of CO2 emissions discharged from new cars by 2022 compared with 2010, in line the Nissan Green Program 2022. To this end, we will reduce fuel consumption and CO2 emissions through the technological innovation of manufacturing, including motorization of vehicles. In order to achieve even higher goals, Nissan aims to achieve carbon neutrality across the company's operations and the life cycle of its products by 2050. As a milestone toward achieving this goal, all new models to be introduced in major markets will be electrified models by the early 2030s.

Under the Nissan Ambition 2030, the Group announced that it will introduce 23 electrified models including 15 new electric vehicles (EVs) by fiscal year 2030.

To achieve this goal, Nissan will intend to introduce 20 new EV and e-POWER equipped models by fiscal year 2026, aiming for an increase of electrification sales mix across major markets, including Europe (to 75%), Japan (to 55%), China (to 40%) and the United States of America (to 40%; only EVs; by fiscal year 2030).

The Company aims to launch an EV with its proprietary all-solid-state batteries (ASSB) by fiscal year 2028 and set up a pilot plant in Yokohama by fiscal year 2024.

As for EVs, the sales volume of the “Nissan LEAF” being launched in 63 countries and regions has been steadily increasing: the cumulative global sales of the “Nissan LEAF” exceeded 580 thousand units. Furthermore, the cumulative global sales of Nissan’s overall EV vehicles exceeded 810 thousand units including the “e-NV200,” the “Sylphy Zero Emission” as well as Venucia brand models, such as “e30,” “D60EV” and “T60EV,” and Dongfeng brand models.

In 2022, Nissan has launched “Nissan Ariya”, the company’s first crossover EV model evolving the electrification technologies which has been cultivated until now. The newly developed motor reduces electricity consumed in high-speed running and realized a range of 470 km (at WLTC mode) for the B6 model (models with 2WD 66kWh battery). Furthermore, we plan to launch a high-capacity battery grade which realizes a maximum range of 610 km* in maximum. “Nissan Ariya” is equipped with a water-cooling temperature control system, which enables fast charging for travelling up to 375 km in 30 minutes when using a quick charger with an output of 130kW or more.

* Internally measured value: For models with 2WD 90kWh batteries in the WLTC mode.

In terms of electrified mobility, the e-POWER system which uses electricity generated by the gasoline engine and runs on the power of the motor has been adopted since 2016. The all-new “Note” equipped with the second generation e-POWER was launched in December 2020.

Furthermore, “Note Aura” was launched in August 2021. The all-new “Note” and “Note Aura” awarded 2021-22 Japan Car of the Year, 31st (2022) RJC Car of the Year, and 2021-2022 JAHFA Car of the Year. Along with this, in the second half of fiscal year 2021, we sold the highest number of registered electrified models* in Japan, including hybrid cars. (* Total volume of “Note” and “Note Aura.” Electrified models mean vehicles running using entirely or partly electric energy stored in battery as motive power. Electrified models ranking is based on the Nissan survey using the vehicle registration information (information of new registration of new vehicles) during a period from October 2021 to March 2022.) At the same time, the second generation e-POWER system equipped on both models was awarded the “RJC Technology of the Year 6 best.” Furthermore, the e-POWER system is being increasingly deployed in the global market and the “Sylphy” and the “Qashqai” equipped with e-POWER are available in China and Europe, respectively.

The e-POWER will continue to evolve as a technology that can be installed in a wide variety of car models, balancing environmental performance and driving performance at a sophisticated level. Just like EVs, in order to further reduce costs, the Company will work to develop an engine dedicated to power generation and simplify the system specializing in engine operation at a fixed RPM and load. Furthermore, for a power generation engine for the next generation e-POWER, the Company will develop technologies for achieving 50% thermal efficiency, at the world’s highest level, aiming for further reduction of CO2 emissions (fuel economy improvement).

Reducing vehicle weight is one of the key challenges to improving fuel economy. The Group therefore focuses on three aspects: materials, manufacturing methods, and structure rationalization. In terms of materials, the Group has been quick to expand the use of ultra-high-tensile strength steel that allows the coexistence of high strength and high formability features, and in recent years, also applying it to frame components for a wide variety of models from minicar models to INFINITI.

In 2020, high-formability 980 MPa-class high-tensile strength steel was equipped in the “Rogue” and ultra-high-tensile strength steel with strength increased to 1,470 MPa was equipped in the “Note.” Furthermore, aluminum for which the closed loop recycling process was applied to the hoods and doors of “Rogue” and “Qashqai.” The closed loop recycling process is an environmentally-conscious technology that recycles waste aluminum and saves 90% or more of energy required for making roughly the same content of aluminum from raw materials. These technologies are being used in a wider range of vehicle models to promote weight reduction as well as contribute to cutting energy consumption through reducing the use of materials and recycling.

In the area of structure rationalization, the e-POWER system, which equips a newly designed motor and inverter, has been adopted in the all-new "Note" launched in 2020, achieving a 6% increase in power output while reducing the weight of the motor by 15% and the inverter by 30%.

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

“Nissan Energy” is composed of the following three fields:

・Nissan Energy Supply: Nissan Energy Supply provides connected charging solutions that customers may need to enjoy safe and convenient EV lives.

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

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

Cooperating with 4R Energy Corporation, Nissan started trials to test operations using renewable energy stored in stationary batteries, which reuse batteries from “Nissan LEAF,” solar panels, and surplus electricity that no longer apply to feed-in tariff at 10 7-Eleven convenience stores in Kanagawa, Japan.

In addition, East Japan Railway Company introduced a recycled lithium-ion storage battery (ENEHAND GREEN) as a power source for a railroad crossing security system reusing the 24 kWh battery module of “Nissan LEAF.” This power source realizes longer service life and lower operation costs compared with conventional lead-acid battery power sources, contributing to realizing an environmentally friendly, recyclable system using recycled batteries.

Beyond that, Nissan also takes part in the Electrify Japan “Blue Switch” program, an activity that aims to solve issues faced in Japan such as global warming, disaster prevention measures, promotion of renewable energy, revitalization of local tourism, and traffic issues by utilizing EVs. EVs are effective tools for utilizing renewable energy and can greatly contribute to realizing a decarbonized society, which is a global issue. As of March 31, 2022, over 170 agreements have been made as cooperation with local governments and companies under the Blue Switch program.

Regarding safety, Nissan is committed to advancing and expanding technologies for safety performance, making efforts to reduce the number of accidents to reduce accident victims.

In Japan, under the Japan New Car Assessment Program (JNCAP), the "Nissan Roox," "Note/Note Aura" and "Nissan Kicks" obtained the highest evaluation (5 Stars). In the United States of America, the "Nissan LEAF," "Nissan LEAF e+," "Murano," "Altima," "Maxima," "Sentra," "Versa" and INFINITI "QX50" obtained the highest evaluation (5 Stars) under the United States New Car Assessment Program (US-NCAP), whereas the "Maxima," "Altima," "Rogue" and "Murano" were recognized as "Top Safety Picks+ (TSP+)" and the "Sentra" was recognized as "Top Safety Picks (TSP)," respectively, by the Insurance Institute for Highway Safety (IIHS). In Europe, the "Qashqai" obtained the highest evaluation (5 Stars) under the European New Car Assessment Program (Euro NCAP).

In addition, the Group promotes the adoption of driver assistance technology that can be expected to significantly reduce the number of traffic accidents. The company has been selling the ProPILOT technology since 2016 and the ProPILOT 2.0 which enables hands off navigation-linked route driving in the same lane on highways since 2019, and these sales have reached cumulative total of 1,630 thousand units globally by March 31, 2022.

Furthermore, in Nissan Ambition 2030, the Company aims to sell more than 2.5 million units of Nissan and INFINITI vehicles equipped with ProPILOT technology by fiscal year 2026.The Company will also further develop its autonomous vehicle technologies, aiming to incorporate next-generation high-performance LIDAR systems on virtually every new model by fiscal year 2030.

The Group will always be actively involved in research and development activities designed to launch new and highly competitive products on the market and to pioneer advanced technologies for the future based on the Nissan Ambition 2030.

3. Equipment and Facilities

1. Overview of capital expenditures

The Group (the Company and its consolidated subsidiaries) invested ¥345.0 billion during this fiscal year, in particular, to accelerate the development of new products, safety and environmental technology and on efficiency improvement of the production system.

2. Major equipment and facilities

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

Notes: 1. "Other" in net book value consists of tools, furniture and fixtures and construction in progress.
2. "Number of employees" indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2022, and are not included in the number of full-time employees.

(1) The Company

(As of March 31, 2022)

Location	Address	Description	Net book value: Land Area (m^2)	Land Amount (Millions of yen)	Buildings & structures (Millions of yen)	Machinery & vehicles (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	Number of employees (Persons)
Yokohama Plant	Kanagawa-ku and Tsurumi-ku, Yokohama-shi, Kanagawa	Automobile parts production facilities	505,434	370	25,330	38,549	4,607	68,856	2,319 (758)
Oppama Plant (including the Research Center)	Yokosuka-shi, Kanagawa	Vehicle production facilities	1,844,577	29,150	37,255	24,373	6,151	96,929	2,710 (903)
Tochigi Plant	Kaminokawa-cho, Tochigi	Vehicle production facilities	2,910,646	4,287	32,252	76,879	17,441	130,859	3,883 (1,273)
Nissan Motor Kyushu Co., Ltd. (Note 1)	Kanda-machi, Fukuoka	Vehicle production facilities	2,355,196	29,849	29,670	27,643	11,604	98,766	114 (15)
Iwaki Plant	Iwaki-shi, Fukushima	Automobile parts production facilities	205,489	3,545	6,370	10,958	9,717	30,590	590 (289)
Head Office departments and other	Atsugi-shi and Isehara-shi, Kanagawa	R&D facilities	1,356,094	25,416	64,595	22,223	14,901	127,135	9,287 (545)
	Nishi-ku, Yokohama-shi, Kanagawa	Head office	10,000	6,455	17,709	539	2,292	26,995	2,208 (133)

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

(2) Domestic subsidiaries

(As of March 31, 2022)

Company	Location	Address	Description	Net book value: Land Area (m^2)	Land Amount (Millions of yen)	Buildings & structures (Millions of yen)	Machinery & vehicles (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	Number of employees (Persons)
JATCO Ltd	Fuji Office and other	Fuji-shi, Shizuoka, etc.	Automobile parts production facilities	1,023,808	16,051	22,695	50,805	10,968	100,519	4,470 (806)
Nissan Shatai Co., Ltd.	Shonan Plant and other	Hiratsuka-shi, Kanagawa, etc.	Vehicle production facilities	618,867	11,143	10,076	12,087	8,449	41,755	1,740 (247)
AICHI MACHINE INDUSTRY CO.,LTD.	Atsuta Plant and other	Atsuta-ku, Nagoya-shi, Aichi, etc.	Automobile parts production facilities	395,421	26,456	10,137	27,121	15,847	79,561	1,163 (345)
NISSAN NETWORK HOLDINGS COMPANY LIMITED	Head office and other	Yokohama-shi, Kanagawa, etc.	Facilities for automobile sales, etc.	3,153,402	345,984	83,390	24	4,977	434,375	37 (11)

(3) Foreign subsidiaries

(As of March 31, 2022)

Company	Location	Address	Description	Net book value						Number of employees (Persons)
				Land		Buildings & structures (Millions of yen)	Machinery & vehicles (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
				Area (m^2)	Amount (Millions of yen)					
Nissan North America, Inc.	Production plant for vehicles and parts and other facilities	Smyrna, Tennessee, Canton, Mississippi, USA, etc.	Production facilities for vehicles, parts and others	26,019,144	13,532	74,393	37,067	121,783	246,775	15,646 (1)
Nissan Mexicana, S.A. de C.V.	Production plant for vehicles and parts and other facilities	Morelos, Mexico, and Aguascalientes, Mexico	Production facilities for vehicles, parts and others	6,379,730	7,443	28,878	66,054	46,386	148,761	14,076 (21)
NISSAN MOTOR MANUFACTURING (UK) LIMITED	Production plant for vehicles and parts	Sunderland, Tyne & Wear, United Kingdom	Production facilities for vehicles and parts	2,861,491	1,743	21,793	13,684	48,715	85,935	6,335 (470)
Renault Nissan Automotive India Private Limited	Production plant for vehicles and parts	Oragadam, Kanchipuram District, India	Production facilities for vehicles and parts	2,468,582	3,082	13,820	26,502	22,185	65,589	4,968 (1)
Nissan Motor (Thailand) Co., Ltd.	Production plant for vehicles and parts	Bangsaothong, Samutpraken, Thailand	Production facilities for vehicles and parts	998,180	2,871	7,911	4,119	21,352	36,253	3,726 (15)
NISSAN DO BRASIL AUTOMOVEIS LTDA	Production plant for vehicles and parts and other facilities	Resende, Rio de Janeiro, Brazil	Production facilities for vehicles and parts and others	2,738,167	2,975	13,497	2,150	886	19,508	2,405 (42)

Note: Right-of-used assets are included in net book values of the foreign subsidiaries.

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

Major leased assets

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

Note: Employees working in or with the leased assets are included in "Major equipment and facilities" above.

Information by reportable segments

Reportable segments	Net book value						Number of employees (Persons)
	Land		Buildings & structures (Millions of yen)	Machinery & vehicles (Millions of yen)	Other (Millions of yen)	Total (Millions of yen)	
	Area (m^2)	Amount (Millions of yen)					
Sales finance	7,839	35	3,397	2,058,158	3,952	2,065,542	4,497 (230)

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

3. Plans for new additions or disposals

(1) New additions and renovations
The Group plans capital investment of ¥440.0 billion in fiscal year 2022 (From April 1, 2022 to March 31, 2023) which will be funded with its own capital.

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

4. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

1) Number of shares

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

2) Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of March 31, 2022	As of June 30, 2022 (filing date of this Securities Report)		
Common stock	4,220,715,112	4,220,715,112	First Section of the Tokyo Stock Exchange (As of March 31, 2022) Prime Market (As of filing date of this Securities Report)	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

(2) Status of the share subscription rights

1) Stock option plans
Not applicable

2) Right plans
Not applicable

3) Other share subscription rights
Not applicable

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

Not applicable

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

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

Note: Decrease due to retirement of treasury stock

(5) Details of shareholders

(As of March 31, 2022)

Classification	Status of shares (1 unit = 100 shares)								Stocks of less than a standard unit
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and other	Total	
					Other than individuals	Individuals only			
Number of shareholders (Persons)	1	59	60	2,324	781	1,809	535,575	540,609	—
Number of shares held (Units)	180	5,667,496	309,811	651,296	28,075,558	23,108	7,471,366	42,198,815	833,612
Shareholding Ratio (%)	0.00	13.43	0.74	1.54	66.53	0.05	17.71	100.00	—

Note: Treasury stock of 27,235,553 shares is included in "Individuals and other" at 272,355 units, and in "Stocks of less than a standard unit" at 53 shares.

(6) Principal shareholders

(As of March 31, 2022)

Name	Address	Number of shares held (Thousands)	Number of shares (excluding treasury stock) held as a percentage of total shares issued (%)
Renault S.A. (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	13-15 QUAI ALPHONSE LE GALLO 92100 BOULOGNE BILLANCOURT, FRANCE (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	1,831,837	43.7
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	371,174	8.9
THE CHASE MANHATTAN BANK, N.A., LONDON (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (Note)	WOOLGATE HOUSE, COLEMAN STREET, LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	126,385	3.0
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	78,427	1.9
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	39,279	0.9
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	1-6-6 Marunouchi, Chiyoda-ku, Tokyo Nippon Life securities management portion (2-11-3 Hamamatsu-cho, Minato-ku, Tokyo)	37,820	0.9
GIC Private Limited – C (Standing agent: MUFG Bank, Ltd.)	168 ROBINSON ROAD#37-01 CAPITAL TOWER SINGAPORE 068912 (Transaction Services Division, 2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	36,267	0.9
SSBTC CLIENT OMNIBUS ACCOUNT (Standing agent: Custody Operations Division, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	30,121	0.7
Moxley and Co LLC (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	270 PARK AVENUE., NEW YORK, NY 10017, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	27,046	0.6
JP Morgan Chase Bank 385781 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	25,132	0.6
Total	—	2,603,488	62.1

Notes: 1. In addition to the above, the Company holds 27,236 thousand shares of treasury stock.

2. Daimspain, S.L. and Daimspain DAG, S.L. substantially holds 126,313 thousand shares of the Company, with an individual distribution of Daimspain, S.L. holding 100,505 thousand shares and Daimspain DAG, S.L. holding 25,808 thousand shares although these shares are in custody of THE CHASE MANHATTAN BANK, N.A. LONDON on the shareholders' register. Daimspain DT, S.L. substantially holds 13,829 thousand shares of the Company in custody of THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO. 1 and if this is added, the total number is 140,142 thousand shares.

(7) Status of voting rights

1) Shares issued

(As of March 31, 2022)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 27,235,500	—	—
	(Crossholding stock) Common stock 201,600	—	—
Shares with full voting rights (Others)	Common stock 4,192,444,400	41,924,444	—
Stocks of less than a standard unit	Common stock 833,612	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,924,444	—

Note: “Stocks of less than a standard unit” include 53 shares of treasury stock and 30 crossholding shares.

Crossholding stocks of less than a standard unit (As of March 31, 2022)

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

2) Treasury stock, etc.

(As of March 31, 2022)

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	27,235,500	—	27,235,500	0.65
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	53,200	91,000	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		27,383,700	53,400	27,437,100	0.65

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

2. Acquisition of treasury stock

Type of shares: Acquisition of shares of common stock under Article 155, Item 7 of the Companies Act

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

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

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

Classification	Number of shares (Thousands)	Total amount (Millions of yen)
Treasury stock acquired during the current fiscal year	3	1
Treasury stock acquired during the period for acquisition	0	0

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2022, to the filing date of this Securities Report.

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

Classification	Current fiscal year		Period for acquisition	
	Number of shares (Thousands)	Total disposition amount (Millions of yen)	Number of shares (Thousands)	Total disposition amount (Millions of yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	—	—	—	—
Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/share issuance/corporate separation	—	—	—	—
Other (Disposal of Treasury Stock for Restricted Stock Unit system)	1,204	1,217	—	—
Number of shares of treasury stock held	27,236	—	27,236	—

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2022, to the filing date of this Securities Report.

3. Dividend policy

The Company positions the return of profits to shareholders as one of the most important management policies. The return of profits to shareholders mainly consists of the distribution of dividends, and the Company aims to ensure the stable distribution of dividends while taking into account the level of cash on hand, past records and forecasts of profits and free cash flows, the required investment for the future, and other factors.
As the Company has determined in its articles of association that the Company may distribute interim dividends as stipulated in Article 454, Paragraph 5, of the Companies Act, the final decision-making organization is the Board of Directors for the interim dividend with a record date of September 30, and a general meeting of the shareholders for the year-end dividend.
As for the distribution of dividends from surplus for the year ended March 31, 2022, the Company determined to pay an interim dividend of ¥0 per share and a year-end dividend of ¥5 per share, resulting in an annual amount of ¥5 per share. The Company intends to apply its internal reserve to preparations for future business development and R&D costs.

Note: Dividends from surplus for which the record date belongs to the fiscal year ended March 31, 2022, are as follows:

Date of resolution		Total dividend amount (Millions of yen)	Dividend per share (Yen)
November 9, 2021	Resolution at the Board of Directors meeting	—	—
June 28, 2022	Resolution at the annual general meeting of shareholders	19,573	5

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

4. Corporate governance

(1) Status of corporate governance

1) Basic corporate governance policy

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

- Under the Nissan's corporate purpose, we defined the company's reason for existence in society as "Driving innovation to enrich people's lives." Accordingly, we will work to improve corporate governance as one of our highest priority management tasks in order to be considered a trustworthy company and provide unique and innovative automotive products and services that deliver superior measurable value to all stakeholders.
- We will conduct our business while considering society's expectations and our social responsibilities and devote ourselves to the development of a sustainable society by aiming for sustainable growth of our business.
- We will select, as our corporation form, to be a company with three statutory committees, which can clearly separate management functions and supervisory, oversight and auditing functions. As such, we will improve the transparency of the decision-making process and also conduct speedy and agile business execution.
- Through the supervision, oversight, and auditing by the Board of Directors and other corporate bodies, we will ensure the effectiveness of our structure related to internal controls, compliance, and risk management. Officers and employees, including executive officers, will sincerely respond to the supervision, oversight, and auditing contemplated hereby.

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

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

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

i) Nomination Committee

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

ii) Compensation Committee

The Board of Directors appoints an Independent Outside Director for all of its member (including its chair). The Compensation Committee has the statutory authority to determine the policy of individual compensation of the Company's directors and executive officers and the contents of individual compensation for directors and executive officers.
The Compensation Committee consists of four (4) directors: Keiko Ihara (the chair), Bernard Delmas, Motoo Nagai, and Jenifer Rogers.

iii) Audit Committee

The Board of Directors appoints at least a majority of the members of Audit Committee from among the independent outside directors. Its chair is also an independent outside director.

The Audit Committee has adequately qualified and able directors (including the ability to collect information within Nissan and experience and/or expertise in international audits. In addition, these directors should have worked as an auditor, accountant or other professional in the field of finance.) and shall perform audits of executive officers' business execution. In addition, the Audit Committee has the authority to audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis. As a part of audits of business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers, and employees on their business execution for the Company and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the president and chief executive officer periodically and exchanges opinions in various areas. Furthermore, the Chair attends important meetings etc. to state his opinions, reviews internal approval documents and other important documents, and requests explanations or reports from executive officers, corporate officers, and employees as necessary. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

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

In addition, the Audit Committee is the contact point for whistleblowing with concerns regarding the involvement of management such as executive officers, and deals with whistleblowing by establishing a system where relevant executive officers cannot identify the whistleblower and the content of whistleblowing.

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

Finally, executive officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and executes the business of the Company group. Currently, six (6) executive officers, of which two (2) are Representative executive officers, are appointed as described in (2) Members of the Board of Directors and Statutory Auditors. Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to corporate officers and employees.

3) Other matters related to corporate governance

1. Status of the Company's internal control systems

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

i) Systems to ensure efficient and management of business activities by the executive officers

a. The Company chooses to be a company with three statutory committees as its legal organizational structure and its Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors.
b. The Company's Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to its executive officers, in order to carry out effective and flexible management.
c. The Company uses a proven system of an Executive Committee, in which executive officer president and chief executive officer is a member, where key issues such as business strategies, important transactions and investments are reviewed and discussed, as well as other committee meetings where operational business issues are reviewed and discussed.
d. For review and discussion of the regional and specific business area operations, the Company utilizes Management Committees.
e. One of the methods of the management is cross-functionality. Among others, Cross-functional teams – CFTs – address problems and challenge. CFTs are powerful management tools, developed within Nissan, that reach across the functions and organizations.
f. The Company implements an objective and transparent Delegation of Authority procedure which establishes the authority and responsibility of each executive officer and employee, for the purpose of speeding up and clarifying the decision making processes as well as ensuring consistent decisions.
g. The Company ensures the efficient and effective management of its business by determining and sharing management policy and business direction through establishment of the mid-term management plan and the annual business plan.

ii) Systems to ensure compliance of executive officers' and employees' activities with Laws and articles of association

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. The Company minimizes the possibility of occurrences of risk and, if they occur, mitigates the magnitude of losses by sensing such risks as early as possible and implementing appropriate countermeasures. In order to achieve such objectives, the Company and its Group companies implement the "Global Risk Management Policy."
b. Management of material company-wide risks is assigned primarily to the members of the Risk Management Committee, who are responsible to implement necessary measures such as preparing relevant risk management manual.
c. Concerning the management of other specific business risks beyond those supervised directly by the Risk Management Committee, they are handled by each manager in the business function who will evaluate, prepare and implement the necessary measures to minimize such risks.
d. The internal audit department of the Company on behalf of the Audit Committee shall conduct auditing activities pursuant to the relevant audit standards in order to provide assurance on the state of internal controls pursuant to a risk based methodology and consulting when appropriate.

iv) Systems to ensure accurate records and the retention of information of executive officers' execution of business

a. The Company preserves and appropriately manages the documents and other information relating to executive officers' execution of business.
b. Results of all corporate decisions made by various divisions and department pursuant to Delegation of Authority are preserved and retained either electronically or in writing.
c. While the departments in charge are responsible for proper and strict retention and management of such information, in particular, for materials related to important management councils, directors and executive officers and other employees of the Company have access to any records within a reasonable range as required for the purpose of performing their business activities.
d. The Company has enacted a policy about the creation, use, management of information to enhance proper and strict retention and management of information and to prevent improper use of information and unintended disclosure of such information. Furthermore, the Company has established an Information Security Committee, which is engaged in overall management of information security in the Company and makes decisions on information security matters.

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

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

a. The Company establishes various Management Committees which are trans-group organizations in order to ensure proper, efficient and consistent Group management.
b. In management committee meetings, the Company provides group companies with important information and shares with them management policies; this ensures that the business decisions of all group companies are made efficiently and effectively.
c. The group companies implement an objective and transparent Delegation of Authority procedures in cooperation with the Company.

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

a. Group companies implement each company's code of conduct in line with the Global Code of Conduct, establish a compliance committee and ensure full compliance with all laws and our corporate code of conduct. The Global Compliance Committee regularly monitors these companies and works to ensure further strict compliance with laws, the articles of association and the corporate behavior. In addition, group companies implement a hotline system which ensures that employees are able to directly communicate to the group company or to the Company directly their opinions, questions and requests.
b. The internal audit department of the Company carries out audits on the business of group companies for the purpose of evaluating and improving the effectiveness of risk management control and governance processes.
c. The Company's Audit Committee and group companies' Statutory Auditors shall have periodic meetings to share information and exchange opinion for the purpose of ensuring effective auditing of the group companies.
d. In particular, the scope and frequency of internal audits and other monitoring activities on the business of the group companies may vary reasonably because of, for example, risk identified as well as the size, nature of the business, and materiality of such group companies.

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

a. The group companies implement the Global Risk Management Policy.
b. Management of risks related to the group companies that might have an impact on the entire Group is assigned mainly to the members of the Risk Management Committee, who are responsible to implement specific measures.
c. Concerning the management of other risks related to the group companies, each group company is responsible to monitor, manage and implement the necessary measures to minimize such risks.

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

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

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

a. The Company has Audit Committee secretariat as an organization to support the activities of the Company's Audit Committee. The required number of dedicated staff members shall be assigned to the Audit Committee secretariat, and they carry out their duties under the direction of the Audit Committee member.
b. The evaluation of staff members in the Audit Committee secretariat is discussed among the Audit Committee members, and consent of the Audit Committee is necessary for personnel changes and disciplinary actions.

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

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

a. The Company's Audit Committee determine their annual audit plan and perform their audit activities in accordance with that plan. The annual audit plan includes schedules of reports by various divisions. Directors (excluding Audit Committee members), executive officers and employees make reports in accordance with the annual audit plan.
b. When the Company's directors (excluding Audit Committee members), executive officers and employees detect any incident which could have a materially negative impact on Nissan's business performance or reputation, or are believed to be non-compliant with the global code of conduct or other standard for conduct, they are required to report such incidents to Nissan's Audit Committee.
c. In addition, the Company's directors (excluding Audit Committee members), executive officers and employees are required to make an ad-hoc report to the Company's Audit Committee regarding the situation of business activities when so requested.
d. The internal audit department reports on an on-going basis to the Company's Audit Committee matters such as its risk based internal audit plan and audit findings identified through the internal audits performed.

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

a. The Company's Audit Committee shall have periodic meetings of group companies' statutory auditors to share information and exchange opinions for the purpose of ensuring effective auditing of group companies and group companies' Statutory Auditors report the matters which could affect the entire group and other matters to the Company's Audit Committee.
b. Directors and employees of the group companies shall promptly make a report to the Company's Audit Committee regarding the situation of business activities when so requested by the Company's Audit Committee.
c. The Company's directors (excluding Audit Committee members), executive officers and employees (including, those in the internal audit department), as stated in (A) of this Section, shall report to the Company's Audit Committee the business activities of each group company reported through the systems mentioned in Section v) above.

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

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

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

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

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

a. The Company's Audit Committee enhances its independence by appointing independent outside directors for the majority of its members and for its chair. Further, in order to ensure that the audit by the Audit Committee is being carried out effectively, the Audit Committee appoints one or more full-time member of the Audit Committee.
b. The Audit Committee shall, as necessary, cooperate with the internal audit department and accounting auditor upon conducting the Audit Committee's audits. The Audit Committee shall take charge of the department for internal audit and instruct the internal audit department with regard to auditing. The internal audit department obtains approval from the Audit Committee regarding basic policy of the internal audit and, annual plans, budgets and personnel plans for internal audits, and will report to the Audit Committee the status of the performance of duties and any findings therefrom on an ongoing basis. Approval of the Audit Committee shall be obtained for appointment/removal and performance assessment (including discipline) of persons responsible for the internal audit department.
c. The Audit Committee shall have meetings periodically or upon request from the Audit Committee with executive officers (including the president and chief executive officer) and exchange views and opinions.

d. Audit Committee members may attend important meetings, etc. and state his/her opinions and further, may view documents giving approval and other important documents and may request, as necessary, explanations and reports from executive officers and employees.
e. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee if necessary, such as by exchanging information and opinions mutually.

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

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

3. Outline of contents of liability insurance policy for directors and officers

a. Scope of the insured
All directors, executive officers, statutory auditors, corporate officers, employees in managerial roles, of the Company and all of its subsidiaries (excluding Nissan Shatai Co., Ltd.).
b. Outline of the insurance
Compensation for damages and defense costs etc. due to claims arising from acts or omissions of the insured in the Company's defined role. However, in order not to impair appropriateness for the execution of duties, the Company takes measures not to cover compensation for criminal acts such as bribery and damages of intentional illegal acts. The Company bears all insurance premiums.

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

1) List of executives

12 males, 3 females (female ratio of 20%), 8 Japanese, 7 foreigners.

a. Directors

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Chair, Member of Nomination Committee, Member of Audit Committee	Yasushi Kimura	February 28, 1948	1970	April	Joined Nippon Oil Corporation	One year from June 2022	7
			2002	June	Director of Nippon Oil Corporation		
			2007	June	Director, Senior Vice President of Nippon Oil Corporation		
			2010	April	Director of JX Holdings, Inc.		
			2010	July	Representative President, of JX Nippon Oil & Energy Corporation		
			2012	May	Chairman of Petroleum Association of Japan		
			2012	June	Representative Chairman of the Board of JX Holdings, Inc.		
					Representative Chairman of the Board of JX Nippon Oil & Energy Corporation		
			2014	June	Director of NIPPO Corporation		
					Vice Chairman of Japan Business Federation		
			2017	April	Representative Chairman of JXTG Holdings, Inc.		
			2018	June	Senior Executive Advisor of JXTG Holdings, Inc.		
			2019	June	Director of the Company (Current position)		
					Senior Corporate Advisor of JXTG Holdings, Inc. (currently, ENEOS Holdings, Inc.) (Current position)		
					Outside Director of INPEX CORPORATION		
Director, Vice-chair, Member of Nomination Committee	Jean-Dominique Senard	March 7, 1953	1996	October	Chief Financial Officer of Pechiney and a member of its Group Executive Council	One year from June 2022	21
			2005	March	Chief Financial Officer of Michelin and a member of the Michelin Group Executive Council		
			2007	May	Managing Partner of the Michelin Group		
			2011	May	Managing General Partner of the Michelin Group		
			2012	May	Chief Executive Officer of the Michelin Group		
			2012	June	Outside Director of Saint-Gobain (Current position)		
			2019	January	Chairman of the Board of Directors of Renault (Current position)		
			2019	April	Director of the Company (Current position)		
			2019	May	Supervisory Board Member of Fives s.a.s (Current position)		
Director, Chair of Nomination Committee, Member of Audit Committee	Masakazu Toyoda	June 28, 1949	1973	April	Joined Ministry of International Trade and Industry	One year from June 2022	8
			2003	August	Director-General, Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry (METI)		
			2006	July	Director-General, Trade Policy Bureau, METI		
			2007	July	Vice-Minister for International Affairs, METI		
			2008	August	Secretary-General, The Cabinet Secretariat's Strategic Headquarters for Space Policy		
			2008	November	Special Advisor to the Cabinet		
			2010	July	Chairman & CEO, Institute of Energy Economics, Japan		
			2011	June	Outside Statutory Auditor of Nitto Denko Corporation (Current position)		
			2015	March	Outside Director of CANON ELECTRONICS INC.		
			2016	June	Outside Director (Audit and Supervisory Committee Member) of Murata Manufacturing Co., Ltd.		
			2018	June	Director of the Company (Current position)		
			2021	July	Chairman and CEO of the Japan Economic Foundation (Current position)		
			2022	March	President and Representative Director of SPACE ONE CO., LTD. (Current position)		

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Chair of Compensation Committee, Member of Nomination Committee	Keiko Ihara	July 4, 1973	2013 2013 2015 2015 2015 2016 2018 2020 2020	January April April July September June June April October	Fédération Internationale de l'Automobile (FIA) Asian representative for the Women in Motorsports Commission and female representative for the FIA Drivers Commission Special Guest Associate Professor at Keio University Graduate School of Media Design Member of Industrial Structure Council (Development Committee for 2020 and Beyond), Japan Ministry of Economy, Trade and Industry Member of Japan House Advisory Board, Japan Ministry of Foreign Affairs Guest Associate Professor at Keio University Graduate School of Media Design Outside Director of SOFT99 corporation (Current position) Director of the Company (Current position) Project Professor at Keio University Graduate School of Media Design (Current position) Representative Director of Future, Inc. (Current position)	One year from June 2022	16
Director, Chair of Audit Committee, Member of Nomination Committee, Member of Compensation Committee	Motoo Nagai	March 4, 1954	1977 2005 2007 2011 2011 2014 2014 2015 2019	April April April April June April June June June	Joined The Industrial Bank of Japan Ltd. Corporate Officer of Mizuho Corporate Bank, Ltd. Managing Executive Officer of Mizuho Corporate Bank, Ltd. Deputy President (Executive Officer) of Mizuho Trust & Banking Co., Ltd. Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd. Advisor of Mizuho Trust & Banking Co., Ltd. Statutory Auditor of the Company Outside Statutory Auditor of Organo Corporation Outside Director of Organo Corporation (Current position) Outside Statutory Auditor of Nisshin Seifun Group Inc. Director of the Company (Current position) Outside Director of Nisshin Seifun Group Inc. (Current position)	One year from June 2022	23
Director, Member of Compensation Committee	Bernard Delmas	April 21, 1954	1979 1995 2007 2009 2010 2015 2015 2016 2018 2019	May September September October February June November November February June	Joined Michelin President of Michelin Research Asia President and CEO of Nihon Michelin Tire Co., Ltd. President and CEO of Michelin Korea Tire Co., Ltd. Senior Vice President of Michelin Group President of the French Chamber of Commerce and Industry in Japan Outside Director of Ichikoh Industries, Ltd. Chairman of the Board of Nihon Michelin Tire Co., Ltd. Chairman of Nihon Michelin Tire Co., Ltd. Senior Advisor of Michelin Group Director of the Company (Current position)	One year from June 2022	2
Director, Member of Nomination Committee	Andrew House	January 23, 1965	1990 2005 2011 2016 2017 2018 2018 2019 2021 2022	October October September April October April October June May March	Joined Sony Corporation Group Executive and Chief Marketing Officer of Sony Corporation Group Executive, President and Global CEO of Sony Computer Entertainment EVP, President and Global CEO of Sony Interactive Entertainment EVP and Chairman of Sony Interactive Entertainment Strategic Advisor of Intelity (Current position) Executive Mentor of Merryck & Co., Ltd. (currently, The ExCo Group) (Current position) Director of the Company (Current position) Outside Director of Nordic Entertainment Group (currently, Viaplay Group) (Current position) Outside Director of Dentsu Group Inc. (Current position)	One year from June 2022	2

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Member of Compensation Committee, Member of Audit Committee	Jenifer Rogers	June 22, 1963	1989	September	Joined Haight Gardner Poor & Havens	One year from June 2022	9
			1990	December	Registered as Attorney at Law admitted in New York		
			1991	February	Joined The Industrial Bank of Japan Ltd.		
			1994	December	Joined Merrill Lynch Japan Securities Co., Ltd.		
			2000	November	Merrill Lynch Europe Plc		
			2006	July	Bank of America Merrill Lynch (Hong Kong)		
			2012	November	General Counsel Asia of Asurion Asia Pacific Limited (Hong Kong)		
			2014	November	General Counsel Asia of Asurion Japan Holdings G.K. (Current Position)		
			2015	June	Outside Director of Mitsui & Co., Ltd. (Current position)		
			2018	June	Outside Director of Kawasaki Heavy Industries, Ltd. (Current position)		
			2019	June	Director of the Company (Current position)		
			2021	January	President of The American Chamber of Commerce in Japan		
			2022	May	Outside Director of Seven & i Holdings Co., Ltd. (Current position)		
Director, Member of Audit Committee	Pierre Fleuriot	January 31, 1954	1981	June	Financial auditor of Inspecteur des finances	One year from June 2022	—
			1985	September	Advisor to the chairman and head of market research of the French market authority of Commission des Opérations de Bourse		
			1991	January	General Manager of the French market authority of Commission des Opérations de Bours		
			1997	September	ABN AMRO France		
			2009	November	Chief Executive Officer of Credit Suisse France		
			2016	April	Chairman of PCF Conseil & Investissement (France) (Current Position)		
			2018	June	Lead Independent Director of Renault (Current Position)		
			2020	February	Director of the Company (Current position)		
Director	Makoto Uchida	July 20, 1966	1991	April	Joined Nissho Iwai Corporation	One year from June 2022	66
			2003	October	Joined the Company		
			2014	April	Program Director of the Company		
			2016	November	Corporate Vice President of the Company		
			2018	April	Senior Vice President of the Company		
					Director of Dongfeng Motor Co., Ltd. (Current position)		
					President of Dongfeng Motor Co., Ltd.		
			2019	December	Representative Executive Officer, President and Chief Executive Officer of the Company (Current position)		
			2020	February	Director of the Company (Current position)		
Director	Ashwani Gupta	September 15, 1970	2006	April	Joined Renault	One year from June 2022	30
					GM of Renault India		
			2008	May	Global Supplier Account Manager of Renault-Nissan Purchasing Organization		
			2009	September	Deputy General Manager of Renault-Nissan B.V.		
			2011	May	Global Program Director of the Company		
			2014	April	VP of Renault		
			2017	April	Alliance SVP of Renault-Nissan		
			2018	April	Alliance SVP of Renault-Nissan-Mitsubishi		
			2019	April	COO of MITSUBISHI MOTORS CORPORATION		
			2019	June	Representative Executive Officer, COO of MITSUBISHI MOTORS CORPORATION		
			2019	December	Representative Executive Officer, Chief Operating Officer / Chief Performance Officer of the Company		
					Director of Dongfeng Motor Co., Ltd. (Current position)		
			2020	February	Director of the Company (Current position)		
			2020	September	Chairman of the Board of Nissan North America, Inc. (Current position)		
			2021	August	Representative Executive Officer, Chief Operating Officer (Current position)		

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Director	Hideyuki Sakamoto	April 15, 1956	1980 April 2005 April 2008 April 2012 April 2014 April 2014 June 2018 August 2018 September 2019 June	Joined the Company Chief Vehicle Engineer of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Director, Executive Vice President of the Company Chairman of the Board of AICHI MACHINE INDUSTRY CO.,LTD. (Current position) Chairman of the Board of JATCO Ltd Executive Officer, Executive Vice President of the Company (Current position) Outside Director, MITSUBISHI MOTORS CORPORATION (Current position)	One year from June 2022	76
			2020 February	Director of the Company (Current position)		
Total						260

Notes: 1. While Yasushi Kimura, Masakazu Toyoda, Keiko Ihara, Motoo Nagai, Bernard Delmas, Andrew House and Jenifer Rogers are Independent Outside Directors of the Company, Masakazu Toyoda, Director is the Lead Independent Outside Director.

2. The term of office of the Directors shall be from the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ended March 31, 2022, to the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2023.

b. Executive Officers

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Representative Executive Officer, President and Chief Executive Officer	Makoto Uchida	July 20, 1966	*Please see a. Directors		One year from June 2022	66
Representative Executive Officer, Chief Operating Officer	Ashwani Gupta	September 15, 1970	*Please see a. Directors		One year from June 2022	30
Executive Officer, Chief Financial Officer	Stephen Ma	November 6, 1970	1996 June 2003 June 2006 December 2012 April 2018 September 2019 December	Joined Nissan North America, Inc. General Manager of Dongfeng Motor Co., Ltd. Senior Manager of the Company CFO of Dongfeng Motor Co., Ltd. Corporate Vice President of the Company Executive Officer, Chief Financial Officer of the Company (Current position)	One year from June 2022	77
Executive Officer, Executive Vice President	Hideyuki Sakamoto	April 15, 1956	*Please see a. Directors		One year from June 2022	76
Executive Officer, Executive Vice President	Asako Hoshino	June 6, 1960	1983 April 1989 August 2001 April 2002 April 2006 April 2014 April 2015 April 2019 May 2019 June 2019 August	Joined Nippon Credit Bank, Co., Ltd. Senior Consultant of Marketing Intelligence Corporation Executive Director and Chief Marketing Officer of INTAGE Inc. (former Marketing Intelligence Corporation) Vice President of the Company Corporate Officer of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position) Director of Dongfeng Motor Co., Ltd. (Current position)	One year from June 2022	81
Executive Officer, Executive Vice President	Kunio Nakaguro	September 23, 1963	1987 April 2008 April 2009 April 2013 April 2014 February 2014 April 2018 April 2019 May 2019 June	Joined the Company General Manager of the Company SVP of Nissan International SA Corporate Officer of the Company Corporate Officer of the Company, SVP of Nissan North America, Inc. Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position)	One year from June 2022	7
Total						337

Notes: 1. The term of office of the Executive Officers shall be from the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ended March 31, 2022, to the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2023.

2. The Company sets up a Corporate Officer system in order to revitalize the Board of Directors by segregating decision-making and control functions from the executive functions and to enable capable individuals to be appointed based solely on their ability.
The number of Executive Officers and Corporate Officers is 51, consisting of 34 Japanese and 17 foreigners, 49 men and 2 women (female ratio of 4% of the Executive Officers and Corporate Officers), and including the 6 Executive Officers listed above Makoto Uchida, Ashwani Gupta, Stephen Ma, Hideyuki Sakamoto, Asako Hoshino and Kunio Nakaguro. The 45 other members are as follows: Joji Tagawa, Hideaki Watanabe, Noboru Tateishi, Toru Ihara, Takao Asami, Takashi Hata, Rakesh Kochhar, Hari Nada, Alfonso Albaisa, Peyman Kargar, Atul Pasricha, Leon Dorssers, Ivan Espinosa, Shohei Yamazaki, Guillaume Cartier, Toshihiro Hirai, Hiroki Hasegawa, Yasuhiko Obata, Jeremie Papin and Junichi Endo (Senior Vice Presidents); Mitsuro Antoku, Kinichi Tanuma, Yukio Ito, Catherine Perez, Jose Roman, Eiichi Akashi, Teiji Hirata, Kazuhiko Murata, Takeshi Yamaguchi, Sadayuki Hamaguchi, Takahiko Ikushima, Tsuyoshi Tatsumi, Mike Colleran, Hitoshi Mano, Yasunobu Matoba, Tamotsu Yamada, Kazuhiro Doi, Yutaka Sanada, Naoya Fujimoto, Manabu Sakane, Anish Baijal, Antoine Barthes, Masaaki Kanda, Michael Soutter and Kazuyuki Yamaguchi (Corporate Vice Presidents), and Shunichi Toyomasu as Fellow.

2) Status of outside directors

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

The Company appointed each outside director in accordance with the reasons described below.

Outside director Yasushi Kimura has experience serving as top management in a key industry in Japan. He also has wealth of experience and deep insight in corporate management and leadership experience in Japan Business Federation (Keidanren), as well as Chairman of Petroleum Association of Japan (PAJ). The Company expects him to continuously contribute to the Company through his Global management, ESG, and Sales/Marketing skills. Since his inauguration in June 2019, Mr. Kimura has supervised the companies' overall management providing an objective and broad perspective as the Chair of the Board of Directors, Member of the Nomination Committee, Member of the Audit Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Masakazu Toyoda has held prominent positions, including Vice-Minister for International Affairs of METI, and Special Advisor to the Cabinet Secretariat. He also has wealth of experience and deep insight in economics, international trade, energy and environment. The Company expects him to continuously contribute to the Company through his Global management, Government, and ESG skills. Since his inauguration in June 2018, Mr. Toyoda has supervised the companies' overall management providing an objective and broad perspective as the lead independent outside director, Chair of the Nomination Committee, Member of the Audit Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Keiko Ihara has wealth of experience and deep insight in the auto industry as an international female racing driver, being many years involved with domestic and global auto makers including technology development and popularization of eco-friendly car and MaaS research at University research institute. Also, Ms. Ihara has an extensive business experience leading organizational governance and talent development in international organization. The Company expects her to continuously contribute to the Company through her Global management, Automobile Industry, ESG, and Digital Transformation skills. Since her inauguration in June 2018, Ms. Ihara has supervised the companies' overall management providing an objective and broad perspective as the Chair of the Compensation Committee, Member of the Nomination Committee, and she has fulfilled the duties of outside director. Therefore, the Company appointed her as an outside director for Nissan.
Outside director Motoo Nagai has strong experience and deep insight on risk management gained through executive leadership positions in institutions including Mizuho Corporate Bank and Mizuho Trust & Banking Co., Ltd. The Company expects him to continuously contribute to the Company through his Global management, Legal/Risk Management, Finance/Accounting and ESG skills. Since his inauguration as full-time Statutory Auditor in 2014, Mr. Nagai has wealth of management experience in Nissan and from June 2019, he has supervised the Companies' overall management providing an objective and broad perspective as the Chair of the Audit Committee, Member of the Nomination Committee, Member of the Compensation Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Bernard Delmas has extensive international business experience in the automotive industry. He has wealth of experience and deep insight in management of R&D, business planning, and managing the cross-functional organization. The Company expects him to continuously contribute to the Company through his Global management, Automobile Industry, and Product/Technology skills. Since his inauguration in June 2019, Mr. Delmas has supervised the companies' overall management providing an objective and broad perspective as the Member of the Compensation Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Andrew House has wealth of experience and deep insight in international business management, understanding of customer needs and consumer products, and emerging technologies through key roles in global companies. Having worked both inside and outside Japan, he has a strong cross-cultural perspective. The Company expects him to continuously contribute to the Company through his Global management, Product/Technology, and Sales/Marketing skills. Since his inauguration in June 2019, he has supervised the companies' overall management providing an objective and broad perspective as the Member of the Nomination Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Jenifer Rogers has wealth of experience and deep insight in legal, compliance and risk management expertise. She comes with solid board experience at globally-operating Japanese corporations, and experience as an in-house lawyer and head of a range of legal functions in international financial institutions. The Company expects her to continuously contribute to the Company through her Global management, Legal/Risk Management, and ESG skills. Since her inauguration in June 2019, she has supervised the companies' overall management providing an objective and broad perspective as the Member of the Compensation Committee, Member of Audit Committee and she has fulfilled the duties of outside director. Therefore, the Company appointed her as an outside director for Nissan.

The Company set forth the following Independence Standards for outside directors.

- Nissan Motor Company Director Independence Standards -

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

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

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

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

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

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

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

(3) Status of Audit

1) Audits by the Audit Committee

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

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

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

In addition, the Audit Committee is the contact point for whistleblowing with concerns regarding the involvement of management such as executive officers, and deals with whistleblowing by establishing a system where relevant executive officers cannot identify the whistleblower and the content of whistleblowing.

The Audit Committee held 15 meetings during this fiscal year, and the status of attendance of each member is as follows:

Position	Name	Attendance
Chair	Motoo Nagai	15 out of 15 (100%)
Member	Yasushi Kimura	15 out of 15 (100%)
Member	Masakazu Toyoda	15 out of 15 (100%)
Member	Jenifer Rogers	15 out of 15 (100%)
Member	Pierre Fleuriot	15 out of 15 (100%)

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

- Implementation of appropriate measures to seek responsibility for serious misconduct by the former chairman and others and to recover damages for such misconduct, and a response to a lawsuit filed against former chairman and former representative director, respectively to claim damages
- Receiving individual reports about the establishment and operation status of the internal control system in fields such as risk management and cyber security
- Receiving the quarterly review reports for the fiscal year from the independent auditor
- Exchanging opinions about the key audit matters (KAM) and digital auditing with the independent auditor
- Implementation of audits on effectiveness of supervising functions of the Board of Directors
- Audit visits to facilities and major domestic and foreign subsidiaries (2 plants and 21 companies including those utilizing online platforms)
- Meetings with statutory auditors of the group companies for the purpose of enhancing audit quality of each of the group companies (including those utilizing online platforms)

Full-time Audit Committee members play a leading role in the internal audit and in collaborating with the independent auditor, and exchange broad opinions through periodic meetings with executive officers such as the President/CEO. Also, they attend and state opinions at important internal meetings and efficiently collect and understand information in a timely and appropriate manner by reviewing written approval and other important documents and requesting explanation or reports from executive officers, corporate officers and employees as necessary. The audit/monitoring function of the Audit Committee is enhanced by establishing a system in which information collected by Full-time Audit Committee members is timely shared with the other members for discussion and decision-making. Other than the above, the major activities of the full-time Audit Committee members during this fiscal year were as follows:

- Taking legal measures for misconduct of the former chairman and former representative director
- Monitoring the establishment and operation status of the internal control system in fields such as risk management and cyber security
- Receiving reports from the independent auditor and the accounting department
- Receiving reports from the internal audit department

・ Handling whistleblowing cases and compliance issues
・ Audit visits to facilities and major domestic and overseas subsidiaries (2 plants and 21 companies including those utilizing online platforms)
・ Information exchange and meetings with group companies for the purpose of enhancing their governance (including those utilizing online platforms)

2) Internal audits

The Company has the global internal audit function (26 persons at the Company, approximately 90 persons globally), as an independent group to conduct internal audits, under the Audit Committee. While the internal audit section of each regional headquarters is responsible for internal audit in each region, global professional teams have been set up for the fields of sales finance, IT and manufacturing to conduct internal audits in these fields across the regions. Under the control of the Chief Internal Audit Officer, all audits are carried out efficiently and consistently on a global basis.

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

3) Audits of financial statements

a. Name of auditing firm
Ernst & Young ShinNihon LLC

b. Audit Duration
70 years (Since 2008 for foreign consolidated subsidiaries)

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

The name of the Certified Public Accountants engaged in the financial statement audit	
Designated Liability-Limited and Engagement Partner	Koki Ito
Designated Liability-Limited and Engagement Partner	Masanori Enomoto
Designated Liability-Limited and Engagement Partner	Takayuki Ando
Designated Liability-Limited and Engagement Partner	Masao Yamamoto

※As the years of continuous service in audit are not more than seven years for all the Certified Public Accountants, the relevant statement is omitted.

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

d. Composition of assistants involved in the audit
Assistants to the audit of the financial statements consisted of 25 Certified Public Accountants and 62 others, including successful applicants who have passed the Certified Public Accountants examination and system specialists.

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

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

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

② Policy for decision on non-reappointment

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

f. Evaluation of the Independent Auditor by the Audit Committee

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

4) Content of the audit fee

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

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)
The Company	663	50	601	20
Consolidated subsidiaries	264	4	269	2
Total	927	54	870	22

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

Consolidated subsidiaries pay remuneration for non-audit services provided by the Certified Public Accountants regarding the preparation of comfort letters for the issuance of bonds.

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

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)
The Company	—	189	—	227
Consolidated subsidiaries	2,040	360	2,176	408
Total	2,040	549	2,176	635

The Company pays remuneration for non-audit services provided by the Ernst & Young network regarding the support services for introducing an IT system and so forth.

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

c. Content of other important remuneration

Not applicable.

d. Policy on determining the audit fee

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

e. Reasons why the Audit Committee has consented to remuneration for the Independent Auditor

The reasons why the Audit Committee of the Company has given consent, pursuant to Article 399, Paragraph 1 of the Companies Act, to remuneration for the independent auditor suggested by the accounting department of the Company are as follows: The Audit Committee determined that the remuneration to the independent auditor is appropriate as a result of its detailed examination of the content of the audit plan, the status of duties performed by the independent auditor in the prior fiscal year, the grounds for calculating the estimate of remuneration and so forth, with reference to the necessary data and materials obtained and/or reported from internal divisions/departments involved and the independent auditor.

(4) Executive Compensation

<Outline and Activities of Compensation Committee>

The Company is a “Company with Three Committees” (Nomination, Audit and Remuneration) pursuant to the Companies Act. All four members of the Compensation Committee are Independent Outside Directors, including the Chair. The Compensation Committee has the statutory authority to determine the policy of individual compensation of the Company’s directors and executive officers and the contents of individual compensation for directors and executive officers.
In FY2021, the Compensation Committee held a total of 12 meetings and the attendance rate was 100% for all members.

The Compensation Committee’s activities during FY2021 include the following:
- Confirming a policy for compensating directors and executive officers;
- Selecting benchmark companies and discussing the level of compensation based on the benchmark results of these companies and the results of surveys conducted by external compensation consultants;
- Determining the aggregate and individual amounts of director and executive officer compensation for FY2021; and
- Adding new performance indicators for sustainability in the performance-based cash incentives that form a part of the long-term incentive program.

The Company has strengthened governance for executive compensation by empowering the Compensation Committee to set a compensation policy and internal regulations and requiring decisions be made with transparent and open discussion. Below are key points that the Compensation Committee took into consideration when making decisions about executive compensation during FY2021:
- Decisions must be fair, consistent, and aligned to the Company’s policies and rules implemented to strengthen corporate governance and transparency; and
- Decisions must appropriately consider both the Company’s business environment and the situation at the Company’s competitors worldwide.

< Policy and Methodology for Determining Compensation amount and Calculation Method>

The Compensation Committee sets a policy for determining elements of the compensation of each director and executive officer of the Company as provided by the Companies Act. The Company's basic policy is that its executive compensation must be designed to motivate the Company's directors and executive officers to maximize value for the stakeholders, such as our customers, shareholders, the local communities in which the Company operates, and our employees. Based on this policy, the Compensation Committee applies the following principles to guide its decisions on compensation for directors and executive officers:

[Six principles of the executive compensation]

Governance and Oversight Responsibility	The Company seeks to further improve its corporate governance, compliance, and corporate ethics. In that regard, the Company will appropriately monitor the compensation program to ensure it is both efficient and in line with the policy.
Fairness and Transparency	The compensation program shall be structured and applied in a fair and consistent manner, regardless of race, gender, nationality, or other attributions. The performance evaluation system and compensation program shall be open, transparent and designed to treat individuals fairly.
Value-Creation and Accountability	The compensation program shall foster performance and actions that create long-term value for the stakeholders, such as our customers, shareholders, the local communities in which the Company operates, and our employees.
Competitiveness	Compensation will be competitive as compared to that offered by other automotive companies and large global companies with which the Company competes for securing talented personnel.
Operational Effectiveness	The compensation program must be a functioning system that is efficiently administered, easy for executives to understand, cost efficient, and capable of being implemented globally.
Innovation and Adaptability	The Company operates its business globally in a situation where technologies and people's lifestyles are changing dramatically. To that end, the Company adopts a global mindset to continuously adapt its compensation program to the diversity of the talent market and business environment.

The Compensation Committee designs a compensation program for each director and executive officer in accordance with the above basic policy and determines the contents of compensation for each director and executive officer for the current fiscal year after appropriate deliberation as described below. The Compensation Committee has determined that these contents are in line with the policy for determining the contents of compensation set forth by the committee.

Overall description

- Since FY2020, the Company has been proceeding with a business transformation plan called "Nissan NEXT" establishing key goals and objectives from FY2020 through FY2023. Sound execution of this plan during that four-year time period is key to our business recovery, and it is designed to bring about an enduring recovery that can withstand the challenges of the years to come and lead to sustainable growth.
- We are aiming for sustainable mid- to long-term growth for both the Company and our people in accordance with "Nissan NEXT." The executive compensation program was designed to motivate the Company's directors and executive officers to implement "Nissan NEXT".
- For the executive compensation program, the Company has selected certain financial targets of "Nissan NEXT" that are key indicators of the Company's return to growth. We also evaluate whether the goals are achieved in a manner consistent with the NISSAN WAY, which is a critical element in the long-term growth of our people.
- Once the "Nissan NEXT" goals are expected to be achieved, we will set new targets to ensure future sustainable growth.
- In FY2021, the Company added new performance indicators for sustainability in the performance-based cash incentive that form a part of the long-term incentive program. Based on our corporate purpose, "Driving innovation to enrich people's lives", the Company will enhance long-term corporate value and social value and become a sustainable corporation. By adding sustainability indicators, the results of efforts to tackle sustainability challenges will be reflected in compensation. (Specific indicators will be later described in [Weighting for FY2021 performance-based incentive compensation for executive officers]).

Consideration for compensation levels

The Company refers to benchmark results for executive compensation when setting compensation levels. The reference group includes global companies of similar business size and business complexity to the Company and includes major automotive companies with which we compete.

Composition of Compensation

i) Directors

The compensation paid to the Company's directors consists of (1) a basic compensation and (2) a fixed compensation that covers, depending on each director's role, participating on committees, serving as a committee chair, and serving as a lead outside director. Directors who don't serve as executive officers are not eligible for variable compensation, such as an annual bonus or long-term incentives. Directors who are also executive officers do not receive additional compensation for their responsibilities as directors.

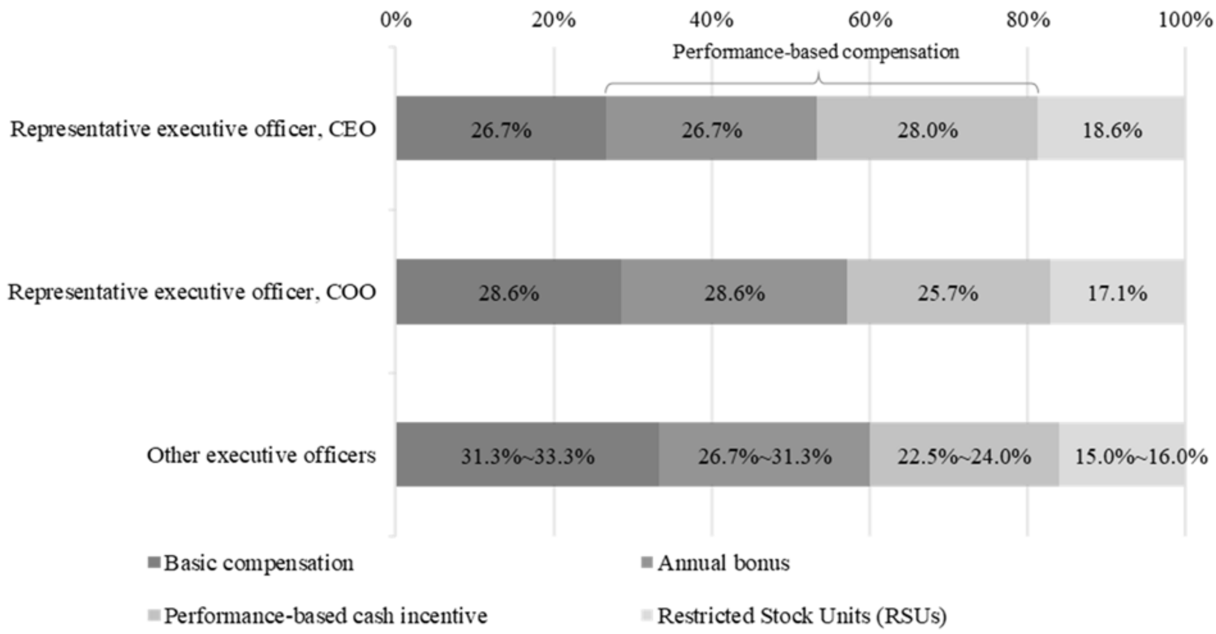
ii) Executive Officers

The compensation paid to the Company's executive officers consists of (1) a fixed basic compensation and (2) an annual bonus and long-term incentive (that are collectively described as variable compensation).

In order to make the compensation system and compensation composition focus on improving mid- to long-term corporate value and shareholder value, the proportion of long-term incentive composition (especially performance-based compensation) is set higher, and the composition ratio of compensation for the representative executive officer serving as the CEO is estimated to be "basic compensation : annual bonus (base amount) : long-term incentive (base amount)" = "1 (26.7%) : 1 (26.7%) : 1.8 (46.6%)." The composition ratio of compensation for the representative executive officer (COO) and other executive officers are determined according to the composition ratio of compensation for the representative executive officer (CEO) and based on respective duties and compensation level, and the upper-ranked executive officers have a higher percentage of variable compensation (annual bonus and long-term incentive) as a proportion of total compensation. The chart below describes the composition ratio of compensation for this fiscal year. The compensation level and the composition ratio of compensation are revised from time to time depending on trends in compensation levels for compensation benchmark companies.

[Composition ratio of compensation for executive officers]

Position	Composition ratio of compensation				Total
	Fixed compensation	Variable compensation			
	Basic compensation	Annual bonus	Long-term incentive		
			Performance-based cash incentive	Restricted Stock Units (RSUs)	
Representative executive officer, CEO	26.7%	26.7%	28.0%	18.6%	100.0%
Representative executive officer, COO	28.6%	28.6%	25.7%	17.1%	
Other executive officers	31.3%~33.3%	26.7%~31.3%	22.5%~24.0%	15.0%~16.0%	



Basic compensation

The basic compensation of executive officers is determined with reference to the benchmarking results for compensation at global companies and survey results from external specialists, as well as by each executive officer's skills, experience, responsibilities at the Company, level of performance in the previous fiscal year, and the Company's performance.

Variable compensation

Variable compensation consists of an "annual bonus" paid according to annual business performance, and two types of "long-term incentive compensation" designed to motivate executive officers to take actions that enhance shareholder value and sustainable growth and profitability for the Company. This "long-term incentive compensation" consists of both the non-performance-linked compensation "restricted stock units (RSUs)" and a "performance-based cash incentive" that is paid only when the objectives are achieved. As a result, the Company's executive officers' variable compensation programs are designed to motivate management to achieve both annual performance objectives as well as mid- to long-term business performance objectives and to enhance the shareholder value.

Annual bonus

FY2021 Annual bonus

The annual bonus which is a performance-based compensation is paid based on the calculation of multiplying the annual basic compensation by eligible percentage set for each executive position and the total achievement ratio for a set of performance indicators that are defined for sustainable growth. For FY2021, we set seven performance indicators that are listed in the table below. These performance indicators are of critical importance to the second year of the "Nissan NEXT" plan.

For this fiscal year, the Company continued to proceed with "Nissan NEXT" by achieving an operating profit aiming 2.0% as aspirational level. The Company has set targets for the sales volume (on a retail basis), marginal profit, and fixed costs to prioritize profitability achievement. Among these, the Company had set the sales volume (on a retail basis) as an important indicator for this fiscal year to steadily make profits. While minimizing the impact of semiconductor supply shortages and raw material price hike, the Company has addressed the above targets with the aim to achieve strategic manufacturing of vehicles, introduction of new models on a continuous basis, and further improvement in the quality of sales. The definition of fixed costs set by the Company in the annual bonus plan differs from the definition used for financial reporting purposes in order for the Company to carefully monitor these as internally controllable items.

Healthy free cash flow in automotive business is one of the most important indicators for our sustainable growth. For quality, we used an internal control target consisting of quality assurance and customer satisfaction measures. For employee engagement, the target is based on external benchmarks of global companies referred to in employee surveys.

[Weighting for FY2021 annual bonus for executive officers]

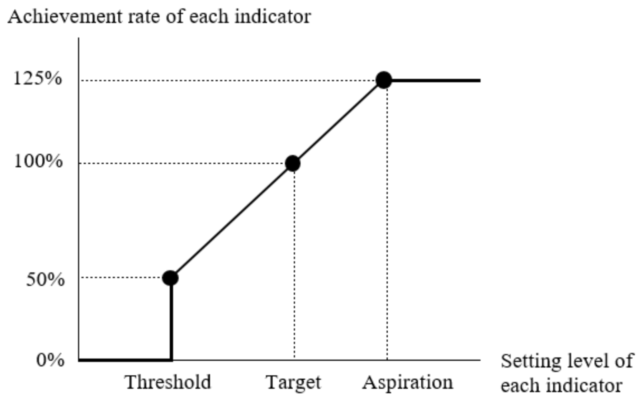
Performance indicator (Corporate objectives)	Evaluation weight
Operating profit	20%
Sales Volume (on a retail basis)	15%
Marginal profit	15%
Fixed costs	10%
Free cash flow in automotive business*	20%
Quality	15%
Employee engagement	5%

* Targets are set based on the proportionate consolidation of the Chinese joint venture.

[Annual bonus payment rate model]

Annual bonus to be paid to executive officer = Annual basic compensation × Eligible percentage set for each position × Total achievement ratio for performance indicator

The total achievement ratio is the sum of the values derived by multiplying the achievement ratio for each performance indicator, which is calculated between the minimum "Threshold" (50% of achievement ratio) and the maximum "Aspiration" (125% of achievement ratio), by each evaluation weight. In principle, if certain indicator falls short of 50% in terms of achievement ratio, the achievement ratio would be counted as zero (0%), and if certain indicator exceeds 125% of the achievement ratio, the achievement ratio would be 125%.



Long-term incentive program

The Company's long-term incentive program consists of two compensation vehicles: "Restricted Stock Units (RSUs) " and "performance-based cash incentive". The "Restricted Stock Units (RSUs) " represents 40% and the "performance-based cash incentive" represents 60% of the total long-term incentive program. The performance-based cash incentive uses a multi-year performance period to reward long-term value creation as opposed to short-term results, which are rewarded through the annual bonus. This award was intentionally designed to be 1.5 times larger than the "Restricted Stock Units (RSUs) " award so that it places a high degree of emphasis on "Nissan NEXT" objectives.

[Purpose of introducing long-term incentive program]
The long-term incentive program is designed to support four main objectives:
(1) promote the achievement of performance linked to "Nissan NEXT," particularly over the next two fiscal years;
(2) align the interests of executives with those of shareholders;
(3) motivate the executives to create shareholder value; and
(4) encourage long-term retention of our key talents.

[Overview of long-term incentive program]

■Restricted Stock Units (RSUs)

The Restricted Stock Units (RSUs) award involves granting Restricted Stock Units (RSUs) for a predetermined number of shares of the Company's common stock ("Shares") to be delivered to the executives at a later date, subject to continued employment and other conditions during a period specified by the Company (hereinafter referred to as the "Target Period"). The Target Period is currently three years, and one-third of the rights will be vested on each of the next three anniversaries after the date of grant of the Restricted Stock Units (RSUs), at when Shares will be delivered to the executives. Restricted Stock Units (RSUs) is non-cash compensation and not performance-based compensation. For Restricted Stock Units (RSUs) granted to executive officers in this fiscal

year, the total number of shares to be delivered three fiscal years from the date of grant is limited to a maximum of approximately 584 thousand shares.
In the event of serious fraud or illegal activity by an executive, the Company may cancel such executive's right to receive Shares or may request the return of Shares that have already been delivered. This recoupment policy, also known as a Malus and Clawback Policy, was implemented as part of the Company's efforts to improve corporate governance. This policy is included in the Restricted Stock Unit Regulations and is communicated to executives who receive an award upon its grant.

■Performance-based cash incentive

FY2020 performance-based incentive compensation

The following performance indicators for the performance-based cash incentive granted in FY2020 have been selected as they are critical to achieving sustained growth in FY2020 or later. The performance-based cash incentive granted in FY2020 will be paid based on the calculation of multiplying the basic compensation by the target total achievement ratio for the set of performance indicators over the next three fiscal years between FY2020 and FY2022 and the performance-based cash incentive proportion set for each executive position. Of the following performance indicators, market share is based on the ratio of the number of vehicles sold (on a retail basis) by the Company to the number of vehicles in global demand, which the Company has calculated.

[Weighting for FY2020 performance-based incentive compensation for executive officers]

Performance indicator (Corporate objectives)	Evaluation weight
Operating profit*	1/3
Free cash flow in automotive business*	1/3
Market share	1/3

* Targets are set based on the proportionate consolidation of the Chinese joint venture.

FY2021 performance-based incentive compensation

Performance indicators that are especially material for the Company to achieve sustainable growth in the future have been set for the performance-based cash incentive granted in FY2021, and social value performance indicators have been added with the aim of creating both corporate value for the Company and social value. The performance-based cash incentive granted in FY2021 will be calculated by multiplying the basic compensation by the target total achievement ratio for the set of performance indicators over the next three fiscal years between FY2021 and FY2023, and the performance-based cash incentive proportion set for each executive position.

For FY2021 performance-based incentive compensation, the Company has introduced the performance indicators set forth below. These items are particularly important in terms of business strategy and are also drawing attention of stakeholders, among sustainability challenges the Company tackles in order to improve its mid- to long-term corporate value and social value.

- Carbon neutrality: The Company has made electrification the centerpiece of our product strategy and will further support the creation of next-generation vehicles with innovative production technologies, aiming to be carbon neutral throughout the entire lifecycle, including suppliers.
- Respect for human rights: In order to realize the Company's corporate purpose, the Company has clarified that executives and employees respect the human rights of all stakeholders in all business activities based on the "Nissan Basic Policy on Respect for Human Rights", and the Company is promoting initiatives to respect human rights.

[Weighting for FY2021 performance-based incentive compensation for executive officers]

Performance indicator (Corporate objectives)		Evaluation weight
Financial value indicators	Operating profit	30%
	Free cash flow in automotive business*	30%
	Sales Volume (on a retail basis)	30%
Social value indicators	External evaluation on carbon neutrality (environment) (Note 1)	5%
	External evaluation on respect for human rights (social) (Note 2)	5%

* Targets are set based on the proportionate consolidation of the Chinese joint venture.

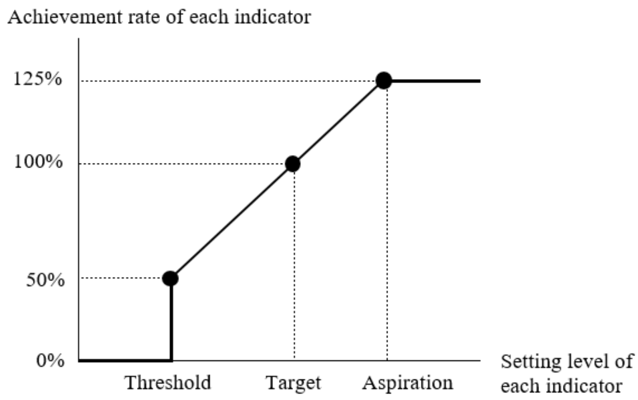
Notes 1. The Company has set a target of maintaining until FY2023 the highest leadership level (A or A-) set in the climate change rankings of CDP, an international non-profit organization that requires companies and local governments to promote and disclose information on their efforts for climate change, water resources and forest conservation in response to requests from global institutional investors.

2. The Company scored 8.3 points last year as assessed by CHRB（Corporate Human Rights Benchmark）, an international initiative on business and human rights that rates the world's leading companies on their human rights efforts, and has set a higher target compared to Japanese competitors. This fiscal year is not subject to assessment by CHRB, so a third party has conducted scoring based on CHRB's assessment indicators.

[The performance-based cash incentive payment rate model]

The performance-based cash incentive to be paid to executive officer = Annual basic compensation × Eligible percentage set for each position × Total achievement ratio for performance indicators

The total achievement ratio is the sum of the values derived by multiplying the achievement ratio for each performance indicator, which is calculated between the minimum "Threshold" (50% of achievement ratio) and the maximum "Aspiration" (125% of achievement ratio), by each evaluation weight. In principle, if certain indicator falls short of 50% in terms of achievement ratio, the achievement ratio would be counted as zero (0%), and if certain indicator exceeds 125% of the achievement ratio, the achievement ratio would be 125%.



[Long-term incentive payment schedule]

Plan	Event	FY[N]	FY[N+1]	FY[N+2]	FY[N+3]
Performance-Based Cash incentive	Set targets for the next three years	Grant of right ☆			
	Aggregate achievement ratio of targets for each indicator every year				
	Payment based on total achievement ratio for three years				Payment ◇
Restricted Stock Unit (RSUs)	Grant stock points	Grant of right ☆			
	Vesting/ Delivery of Shares (every year for total three years starting FY[N+1])		1/3rd of the stock points are vested	1/3rd of the stock points are vested	1/3rd of the stock points are vested

Policy for executive officer compensation upon separation

The Company has adopted a policy for executive officer compensation upon separation for executive officers who separate from the Company. The policy is intended to ensure that executive officers comply with non-competition and confidentiality obligations and other similar obligations for a certain period of time after separating from the Company and to support the appropriate transition of management. This policy is operated at the discretion of the Compensation Committee. The Compensation Committee may decide whether or not to pay such compensation at the time of separation and determine the amount based on the facts and circumstances at the time of separation of the executive officer in question.

< Total amount of compensation by position category of executives, total amount by compensation type, and the number of executives >

(Millions of yen)

Position category of executives	Total amount of compensation	Breakdown of total amount of compensation						Number of executives
		Annual basic compensation	Performance-based compensation			Restricted Stock Unit (RSUs) (Non-cash compensation) (Note 3)	Other compensation	
			Annual bonus	Performance-based cash incentive (Monetary Compensation) (Note 1)	Share Appreciation Rights (Note 2)			
Directors (excluding outside directors)	18	18	—	—	—	—	—	1
Directors (Outside Directors)	171	171	—	—	—	—	—	7
Executive officers (Note 6)	1,865	494	520	243	—	271	337 (Note 4)	7 (Note 5)

Notes 1. With respect to the performance-based cash incentives granted in FY2020, it was confirmed that the actual amount of compensation that pertains to FY2020 was less, by ¥ 28million, than the estimated amount of such compensation that was disclosed in the Company's Securities Report for the fiscal year ended March 31, 2021. The amount of such difference was deducted from the amount described in the table above.

2. This notes the difference between (i) the total monetary amount received by the relevant directors or officers from the Company during FY2021 upon the exercise of such rights granted in previous fiscal years and (ii) the total fair value of such exercised rights as disclosed in the corresponding prior securities report based on then-current share prices. No such rights were exercised in FY2021.

3. This is the amount recorded as expenses in the current fiscal year.

4. This amount represents the sum of cash compensation such as the tax and the tax equalization benefit (¥209 million), housing allowance and other fringe benefits, etc. (¥128 million) paid to 5 executive officers, which were determined by the Compensation Committee in accordance with the Company's internal rules and other standards. In addition to the compensation listed in the table above, the Company provided fringe benefits of ¥14 million, which were confirmed as compensation of the Company during this fiscal year, as cash compensation to 1 executive officer and 1 former executive officer.

5. Includes 1 executive officer who resigned from the Company in this fiscal year.

6. Executive officers who concurrently serve as director of the Company are included in the position category of executive officer. The company has paid each such executive officer the compensation for his or her service as executive officer only.

7. The amounts of the compensation, etc. paid to executives in foreign currency are noted in the amounts converted into yen using the yearly average exchange rate.

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

(Millions of yen)

Name	Category of executives	Name of entity	Total amount of compensation	Breakdown of total amount of compensation					
				Annual basic compensation	Performance-based compensation			Restricted Stock Unit (RSUs) (Non-cash compensation) (Note 2)	Other compensation
					Annual bonus	Performance-based cash incentive (Monetary compensation) (Note 1)	Share Appreciation Rights		
Makoto Uchida	Executive Officer	NML	497	135	155	81	—	95	31 (Note3)
Ashwani Gupta (Note 4)	Executive Officer	NML	499	120	138	62	—	71	108 (Note3)
Stephen Ma (Note 4)	Executive Officer	NML	352	75	70	32	—	37	138 (Note3)
	N/A	Nissan North America, Inc.	18	—	—	—	—	—	18
Hideyuki Sakamoto	Executive Officer	NML	147	51	47	22	—	27	—
Kunio Nakaguro	Executive Officer	NML	128	44	41	19	—	23	1 (Note3)
Asako Hoshino	Executive Officer	NML	127	44	41	19	—	23	—
Christian Vandenhende (Note 4)	Executive Officer	NML	115	25	28	8	—	(5)	59 (Note3)

Notes
1. With respect to the performance-based cash incentives granted in FY2020, for each of the executive officers, it was confirmed that the actual amount of compensation that pertains to FY2020 was less than the estimated amount of such compensation that was disclosed in the Company's Securities Report for the fiscal year ended March 31, 2021. The amount of such difference was deducted from the amount described in the table above.
2. This is the amount recorded as expenses in the current fiscal year.
3. This amount represents the sum of cash compensation such as the tax and the tax equalization benefit (¥209 million), housing allowance and other fringe benefits, etc. (¥128 million) paid to the relevant executive officers, which were determined by the Compensation Committee in accordance with the Company's internal rules and other standards. The "Other Compensation" which the Company provided to Ashwani Gupta includes fringe benefits of ¥7 million, which were confirmed as compensation of the Company during this fiscal year, as cash compensation. In addition to the compensation listed in the table above, the Company provided Ashwani Gupta with fringe benefits of ¥13 million, which were confirmed as compensation of the Company during this fiscal year, as cash compensation. ¥13 million was disclosed as fringe benefits provided by Nissan Automotive Europe in the Company's Securities Report for the fiscal year ended March 31, 2021. Such amount was disclosed therein with being converted into yen using the then yearly average exchange rate. Subsequently, such amount was confirmed as compensation of the Company.
4. The amounts of the compensation, etc. paid to executives in foreign currency are noted in the amounts converted into yen using the yearly average exchange rate.

<Targets, achievements, payment rates, etc. for each performance indicator of annual bonuses for executive officers>

FY2021 Annual bonus

As stated above, the Company has launched a business transformation plan called "Nissan NEXT", and the level for the performance achievement for annual bonuses to be paid this fiscal year is based on the Company's performance projections set in "Nissan NEXT", after considering the impact of COVID-19, the semiconductor supply shortage, raw materials price hike, and other factors. The details of performance indicators and the reasons the Company selected each indicator are explained in the (Annual bonus) section.

In light of global supply chain disruptions caused by COVID-19 and the semiconductor supply shortage, the objectives were structured to prioritize profitability achievement for FY2021.

- The four performance indicators, which are (i) sales volume (on a retail basis); (ii) operating profit; (iii) marginal profit; and (iv) fixed cost, were selected as indicators that are most relevant to improvement of profitability in combination. In principle, the target levels for the performance indicators were designed taking into consideration the levels that are necessary to achieve break even as well as frequent supply chain disruptions and unstable factory production and managed as a set to optimize profitability. The result for sales volume (on a retail basis) was 3.88 million units, operating profit was ¥247.3 billion, with 3.7% operating profit margin (based on the proportionate consolidation of its Chinese joint venture) as one of the targets set in "Nissan NEXT". As a result, based on the proportionate consolidation of its Chinese joint venture, the achievement ratios for those indicators were 125%.
- Similarly, in principle, the target for free cash flow in automotive business was set by taking into consideration the levels that are necessary to achieve break even as well as supply chain disruptions. Based on the proportionate consolidation of its Chinese joint venture, the result was exceeded the target level, resulting in an achievement ratio of 109%.

- For quality, FY2021 target was comprised of elements of quality guarantee and customer satisfaction, and the achievement ratio was 100%.
- For employee engagement, the Company has set the target figures based on external benchmarks (based on employee survey results conducted by numerous global companies), and the achievement ratio was 67%.

Accordingly, the overall achievement ratio was 115%. The actual amount of annual bonus was calculated by multiplying the basic compensation by the above-mentioned total weighted average achievement ratio and the annual bonus target, which varies based on the position of the executive officer. The details of calculation method are explained in the (Annual bonus) section.

< Targets, achievements, payment rates, etc. for each performance indicator of performance-based cash incentive for executive officers>

Similar to the annual bonus process described above, the level for the performance targets for the performance-based cash incentive is based on objectives set in "Nissan NEXT", and the FY2020 incentives will be paid in accordance with the achievement ratios for the targets for the three-fiscal-year period finishing in FY2022, and the FY2021 incentives will be paid in accordance with the achievement ratios for the targets for the three-fiscal-year period finishing at the end of FY2023. Also similar to the annual bonus, the level for the performance targets for the FY2021 incentives was set after considering the impact of COVID-19, the semiconductor supply shortage, raw materials price hike, and other factors. The details of performance indicators and the reasons the Company selected each indicator are explained above in detail in the [Overview of long-term incentive program] section.

Payment under this performance-based cash incentive is determined after all three years of the evaluation period have concluded and the results are finalized. The Company tracks performance in each year of the performance evaluation period, and the targets and performance results for this fiscal year are as described below.

<u>FY2020 performance-based incentive compensation</u>

Results and achievement ratios of indicators for FY2021, the second fiscal year of FY2020 performance-based cash incentive, are as follows:

- For operating profit, with an aim to ensure that the "Nissan NEXT" goal was met, the target level was set as higher than the "Nissan NEXT" goal. Based on the proportionate consolidation of its Chinese joint venture, the result was 3.7%, and the achievement ratio was 125%.
- For free cash flow in automotive business, the target level was set to achieve break even for the second half of FY2021. Although we achieved break even for the second half of FY2021, because of the global supply chain disruptions caused by COVID-19 and semiconductor supply shortage, based on the proportionate consolidation of its Chinese joint venture, the achievement ratio was 76%.
- For market share, FY2021 target was set with a milestone in "Nissan NEXT", and the achievement ratio was 0% as the performance results did not meet the threshold.

Accordingly, the overall achievement ratio was 67%.

<u>FY2021 performance-based incentive compensation</u>

Results and achievement ratios of indicators for FY2021, the first fiscal year of FY2021 performance-based cash incentives, are as follows. In light of global supply chain disruptions caused by COVID-19 and the semiconductor supply shortage, the objectives were structured to prioritize profitability for FY2021.

- Operating profit and sales volume (on a retail basis) were selected as indicators that are most relevant to improvement of profitability. In principle, the target levels for these performance indicators were set by taking into consideration the levels that are necessary to achieve break even as well as frequent supply chain disruptions and unstable factory production. The results for sales volume (on a retail basis) was 3.88 million units, operating profit was ¥247.3 billion, with 3.7% operating profit margin (based on the proportionate consolidation of its Chinese joint venture) as one of the targets set in “Nissan NEXT”. As a result, based on the proportionate consolidation of its Chinese joint venture, the achievement ratios were both 125%.
- Similarly, in principle, the target level for free cash flow in automotive business was set by taking into consideration the levels that are necessary to achieve break even as well as supply chain disruptions. Based on the proportionate consolidation of its Chinese joint venture, as the result exceeded the target level, the achievement ratio was 109%.
- For carbon neutrality (environment), the Company has set a target of maintaining until FY2023 the highest leadership level (A or A-) set in the climate change rankings of CDP, an international non-profit organization that requires companies and local governments to promote and disclose information on their efforts for climate change, water resources and forest conservation in response to requests from global institutional investors. The Company successfully obtained level “A”, which exceeded the level of the previous year, and the achievement ratio was 125%, as the “aspiration” level.
- For human rights (social), the Company scored 8.3 points in FY2020 as assessed by CHRB, an international initiative on business and human rights that rates the world’s leading companies on their human rights efforts and has set a higher target compared to Japanese competitors. This fiscal year is not subject to assessment by CHRB, so a third party has conducted scoring based on CHRB's assessment indicators. As the result exceeded the target level, achievement ratio was 110%.

Accordingly, the overall achievement ratio was 119%.

(5) Status of stocks held

1) Criteria and concept on stocks for investment

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

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

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

(i) Policy on crossholdings

The Company's basic policy on crossholding of stocks is to limit its collaborative/cooperative relationship with counterparties to within a reasonable scope with the aim of achieving the Company's business advantages.

(ii) Verification method of rationality of stocks held and details verified by the Board of Directors, etc.

For each individual stocks held by the Company, the Company examines each stock, such as the purpose of holding, nature of transactions, future business significance and risks etc. On top of these verification from strategic viewpoint, the return associated with holdings and the cost of capital are compared and the appropriateness of holding is determined by the execution side. The result is assessed by the Board of Directors. If a continued holding is determined to be inappropriate, its treatment shall be studied, including sell-off.

As a result, the Company holds four crossheld stocks (including deemed holdings) as of March 31, 2022.

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

	Number of stocks	Total of the amounts recorded in the balance sheet (Millions of yen)
Unlisted stocks	34	28,340
Stocks other than unlisted stocks	3	1,387

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

	Number of stocks	Total amount of purchase price relating to increase in the number of stocks (Millions of yen)	Reason for the increase
Unlisted stocks	2	10,539	Underwriting of third-party allocation of shares, etc.
Stocks other than unlisted stocks	—	—	—

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

	Number of stocks	Total amount of sale price relating to decrease in the number of stocks (Millions of yen)
Unlisted stocks	1	19,324
Stocks other than unlisted stocks	1	150,755

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

Specific stocks for investment

Stocks	Current fiscal year	Prior fiscal year	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
	Number of shares held by the Company	Number of shares held by the Company		
	Amount recorded in the balance sheet (Millions of yen)	Amount recorded in the balance sheet (Millions of yen)		
Daimler AG	—	16,448,378	All shares held have already been sold.	No (*)
	—	161,854		
Tan Chong Motor Holdings Berhad	37,333,324	37,333,324	Held to cooperate in production, import and sales in Asian countries and the Company considers that such investment is appropriate to promote its business in Asian countries.	No
	1,242	1,186		
Star Flyer Inc.	60,000	60,000	Held to maintain cooperative relationships with local companies and contribute to the local community at Kyushu area where the Company has one of the major production bases and the Company considers that such investment is appropriate.	No
	144	168		
MITSUBA Corporation	729	729	Stocks of less than a standard unit held when contributed to a retirement benefit trust. The holding purpose is as described in the "Stocks subject to deemed holding" table below.	Yes
	0	0		

Note: "—" indicates no holding of the shares. The number of the relevant specific stocks for investment in the prior fiscal year was four (4) and in this current fiscal year is three (3) inclusive of those amount recorded in the balance sheet is less than one-hundredth (1/100) of common stock.

It is difficult to state quantitative benefits of holding each individual stock. However, the Company determines the appropriateness of the holdings by verifying quantitative aspects including comparison of benefits and capital costs related to the holding as well as qualitative aspects including the purpose of the holdings and significance for the future business.

The method to verify the reasonableness of the holdings is stated in "a. Holding policy and the method to verify the reasonableness of the holding, as well as details of such verification by the Board of Directors or any other bodies concerning the appropriateness of the holding of the respective stocks" of "2) Stocks for investment held for any purposes other than pure investment purpose."

* For Company's shares being held at the current fiscal year end, refer to 4. Corporate Information 1. Information on the Company's shares (6) Principal shareholders.

Stocks subject to deemed holding

Stocks	Current fiscal year	Prior fiscal year	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
	Number of shares held by the Company	Number of shares held by the Company		
	Amount recorded in the balance sheet (Millions of yen)	Amount recorded in the balance sheet (Millions of yen)		
Mizuho Leasing Company, Limited	1,750,000	1,750,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	No
	5,208	5,818		
MITSUBA Corporation	1,742,000	1,742,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	Yes
	644	1,181		

Note: Deemed holdings are verified in a similar way as specific stocks for investment.

It is difficult to state quantitative benefits of holding each individual stock. However, the Company determines the appropriateness of the holdings by verifying quantitative aspects including comparison of benefits and capital costs related to the holding as well as qualitative aspects including the purpose of the holdings and significance for the future business.

The method to verify the reasonableness of the holdings is stated in "a. Holding policy and the method to verify the reasonableness of the holding, as well as details of such verification by the Board of Directors or any other bodies concerning the appropriateness of the holding of the respective stocks" of "2) Stocks for investment held for any purposes other than pure investment purpose."

3) Stocks for investment held solely for investment purpose

Not applicable.

5. Financial Information

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

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

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

2. Auditing and attestation

The consolidated and the non-consolidated financial statements for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022) were audited by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

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

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

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

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

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2021)		Current fiscal year (As of March 31, 2022)
Assets				
Current assets				
Cash on hand and in banks		1,871,794		1,432,047
Trade notes and accounts receivable		518,451		—
Trade notes and accounts receivable, and contract assets		—	※7	402,489
Sales finance receivables	※3,※6	6,213,797	※3,※6	6,274,750
Securities		162,232		360,645
Merchandise and finished goods		647,583		645,620
Work in process		66,171		83,939
Raw materials and supplies		425,817		634,922
Other	※6	624,347	※6	620,368
Allowance for doubtful accounts		(180,533)		(138,771)
Total current assets		10,349,659		10,316,009
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		590,016		599,682
Machinery, equipment and vehicles, net	※2,※3	2,704,640	※2,※3	2,650,597
Land		589,613		585,217
Construction in progress		228,101		140,056
Other, net		266,184		390,401
Total property, plant and equipment	※1	4,378,554	※1	4,365,953
Intangible fixed assets	※4	121,221	※4	119,187
Investments and other assets				
Investment securities	※5	1,129,007	※5	1,054,886
Long-term loans receivable		11,572		7,640
Net defined benefit assets		29,840		56,491
Deferred tax assets		162,298		156,553
Other		266,457		295,324
Allowance for doubtful accounts		(3,764)		(6,959)
Total investments and other assets		1,595,410		1,563,935
Total fixed assets		6,095,185		6,049,075
Deferred assets				
Bond issuance costs		7,224		6,397
Total deferred assets		7,224		6,397
Total assets		16,452,068		16,371,481

(Millions of yen)

		Prior fiscal year (As of March 31, 2021)		Current fiscal year (As of March 31, 2022)
Liabilities				
Current liabilities				
Trade notes and accounts payable		1,501,972		1,395,642
Short-term borrowings		1,016,504	※3	1,050,036
Current portion of long-term borrowings	※3	1,721,797	※3	1,251,998
Commercial papers		6,749		185,705
Current portion of bonds		514,893		471,460
Lease obligations		43,542		48,395
Accrued expenses		1,034,305		841,386
Accrued warranty costs		101,624		98,367
Other		784,996	※7	800,219
Total current liabilities		6,726,382		6,143,208
Long-term liabilities				
Bonds		2,046,620		2,263,336
Long-term borrowings	※3	2,173,677	※3	1,775,221
Lease obligations		75,450		86,173
Deferred tax liabilities		264,301		321,380
Accrued warranty costs		102,303		112,804
Net defined benefit liability		257,521		191,073
Other		465,988	※7	448,702
Total long-term liabilities		5,385,860		5,198,689
Total liabilities		12,112,242		11,341,897
Net assets				
Shareholders' equity				
Common stock		605,814		605,814
Capital surplus		817,071		816,472
Retained earnings		3,629,938		3,843,479
Treasury stock		(139,259)		(138,061)
Total shareholders' equity		4,913,564		5,127,704
Accumulated other comprehensive income				
Unrealized holding gain and loss on securities		61,902		3,428
Unrealized gain and loss from hedging instruments		(10,639)		17,230
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(36,498)		(38,109)
Translation adjustments		(906,200)		(512,770)
Remeasurements of defined benefit plans		(77,536)		(16,882)
Total accumulated other comprehensive income		(968,971)		(547,103)
Non-controlling interests		395,233		448,983
Total net assets		4,339,826		5,029,584
Total liabilities and net assets		16,452,068		16,371,481

② Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

		Prior fiscal year (From April 1, 2020 to March 31, 2021)		Current fiscal year (From April 1, 2021 to March 31, 2022)
Net sales		7,862,572	※1	8,424,585
Cost of sales	※2,※3	6,811,747	※2,※3	7,070,531
Gross profit		1,050,825		1,354,054
Selling, general and administrative expenses				
Advertising expenses		232,534		247,552
Service costs		113,863		72,184
Provision for warranty costs		94,797		97,274
Other selling expenses		101,764		68,759
Salaries and wages		365,551		393,877
Retirement benefit expenses		17,773		7,990
Supplies		1,548		1,481
Depreciation and amortization		54,161		56,368
Provision for doubtful accounts		33,234		(42,490)
Amortization of goodwill		1,058		1,022
Other		185,193		202,730
Total selling, general and administrative expenses	※2	1,201,476	※2	1,106,747
Operating income (loss)		(150,651)		247,307
Non-operating income				
Interest income		13,109		16,952
Dividends income		3,097		3,005
Equity in earnings of affiliates		—		94,302
Derivative gain		—		14,533
Exchange gain		42,428		—
Miscellaneous income		22,846		19,260
Total non-operating income		81,480		148,052
Non-operating expenses				
Interest expense		36,483		55,949
Equity in losses of affiliates		55,861		—
Derivative loss		34,158		—
Exchange loss		—		8,900
Miscellaneous expenses		25,557		24,393
Total non-operating expenses		152,059		89,242
Ordinary income (loss)		(221,230)		306,117

(Millions of yen)

		Prior fiscal year (From April 1, 2020 to March 31, 2021)		Current fiscal year (From April 1, 2021 to March 31, 2022)
Special gains				
Gain on sales of fixed assets	※4	19,032	※4	34,471
Gain on sales of investment securities		126		78,104
Other		7,778		21,428
Total special gains		26,936		134,003
Special losses				
Loss on sales of fixed assets	※5	2,195	※5	4,004
Loss on disposal of fixed assets		13,892		14,463
Impairment loss	※6	9,109	※6	16,973
Compensation for suppliers and others		1,161		6,530
Special addition to retirement benefits		57,466		6,802
Other		61,217	※3	7,138
Total special losses		145,040		55,910
Income (loss) before income taxes		(339,334)		384,210
Income taxes-current		76,671		79,979
Income taxes-deferred		15,924		65,461
Total income taxes		92,595		145,440
Net income (loss)		(431,929)		238,770
Net income attributable to non-controlling interests		16,768		23,237
Net income (loss) attributable to owners of parent		(448,697)		215,533

Consolidated statement of comprehensive income

(Millions of yen)

		Prior fiscal year (From April 1, 2020 to March 31, 2021)		Current fiscal year (From April 1, 2021 to March 31, 2022)
Net income (loss)		(431,929)		238,770
Other comprehensive income				
Unrealized holding gain and loss on securities		81,335		(59,947)
Unrealized gain and loss from hedging instruments		9,752		26,958
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(1,309)		(140)
Translation adjustments		152,515		350,835
Remeasurements of defined benefit plans		149,925		58,794
The amount related to equity method companies		(2,217)		74,351
Total other comprehensive income	※1	390,001	※1	450,851
Comprehensive income		(41,928)		689,621
(Breakdown of comprehensive income)				
Comprehensive income attributable to owners of parent		(72,306)		637,354
Comprehensive income attributable to non-controlling interests		30,378		52,267

③ Consolidated statement of changes in net assets

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	818,056	4,125,043	(139,262)	5,409,651	(16,420)	(20,352)
Cumulative effects of changes in accounting policies			(46,844)		(46,844)		
Restated balance	605,814	818,056	4,078,199	(139,262)	5,362,807	(16,420)	(20,352)
Changes of items during the period							
Net loss attributable to owners of parent			(448,697)		(448,697)		
Purchase of treasury stock				(494)	(494)		
Disposal of treasury stock				497	497		
Changes in the scope of consolidation			198		198		
Changes in the scope of equity method			238		238		
Changes in interests by purchase of subsidiaries' shares		(964)			(964)		
Changes in affiliated companies' interests in its subsidiaries		(21)			(21)		
Net changes of items other than those in shareholders' equity						78,322	9,713
Total changes of items during the period		(985)	(448,261)	3	(449,243)	78,322	9,713
Balance at the end of current period	605,814	817,071	3,629,938	(139,259)	4,913,564	61,902	(10,639)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	(35,632)	(1,046,160)	(226,798)	(1,345,362)	360,484	4,424,773
Cumulative effects of changes in accounting policies						(46,844)
Restated balance	(35,632)	(1,046,160)	(226,798)	(1,345,362)	360,484	4,377,929
Changes of items during the period						
Net loss attributable to owners of parent						(448,697)
Purchase of treasury stock						(494)
Disposal of treasury stock						497
Changes in the scope of consolidation						198
Changes in the scope of equity method						238
Changes in interests by purchase of subsidiaries' shares						(964)
Changes in affiliated companies' interests in its subsidiaries						(21)
Net changes of items other than those in shareholders' equity	(866)	139,960	149,262	376,391	34,749	411,140
Total changes of items during the period	(866)	139,960	149,262	376,391	34,749	(38,103)
Balance at the end of current period	(36,498)	(906,200)	(77,536)	(968,971)	395,233	4,339,826

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	817,071	3,629,938	(139,259)	4,913,564	61,902	(10,639)
Cumulative effects of changes in accounting policies			(8,828)		(8,828)	47	
Restated balance	605,814	817,071	3,621,110	(139,259)	4,904,736	61,949	(10,639)
Changes of items during the period							
Net income attributable to owners of parent			215,533		215,533		
Purchase of treasury stock				(385)	(385)		
Disposal of treasury stock		(185)	(345)	1,583	1,053		
Changes in the scope of consolidation			7,020		7,020		
Changes in the scope of equity method			161		161		
Changes in affiliated companies' interests in its subsidiaries		(414)			(414)		
Net changes of items other than those in shareholders' equity						(58,521)	27,869
Total changes of items during the period		(599)	222,369	1,198	222,968	(58,521)	27,869
Balance at the end of current period	605,814	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	(36,498)	(906,200)	(77,536)	(968,971)	395,233	4,339,826
Cumulative effects of changes in accounting policies				47	(268)	(9,049)
Restated balance	(36,498)	(906,200)	(77,536)	(968,924)	394,965	4,330,777
Changes of items during the period						
Net income attributable to owners of parent						215,533
Purchase of treasury stock						(385)
Disposal of treasury stock						1,053
Changes in the scope of consolidation						7,020
Changes in the scope of equity method						161
Changes in affiliated companies' interests in its subsidiaries						(414)
Net changes of items other than those in shareholders' equity	(1,611)	393,430	60,654	421,821	54,018	475,839
Total changes of items during the period	(1,611)	393,430	60,654	421,821	54,018	698,807
Balance at the end of current period	(38,109)	(512,770)	(16,882)	(547,103)	448,983	5,029,584

④ Consolidated statement of cash flows

(Millions of yen)

	FY2020 (From April 1, 2020 To March 31, 2021)	FY2021 (From April 1, 2021 To March 31, 2022)
Cash flows from operating activities		
Income (loss) before income taxes	(339,334)	384,210
Depreciation and amortization (for fixed assets excluding leased vehicles)	258,414	296,911
Depreciation and amortization (for long term prepaid expenses)	53,130	44,018
Depreciation and amortization (for leased vehicles)	397,162	348,074
Impairment loss	9,109	16,973
Increase (decrease) in allowance for doubtful receivables	(33,408)	(51,771)
Provision for residual value risk of leased vehicles (net changes)	(20,517)	(42,816)
Interest and dividends income	(16,206)	(19,957)
Interest expense	181,392	174,194
Equity in losses (earnings) of affiliates	55,861	(94,302)
Loss (gain) on sales of fixed assets	(16,837)	(30,467)
Loss on disposal of fixed assets	13,892	14,463
Loss (gain) on sales of investment securities	(126)	(78,104)
Decrease (increase) in trade notes and accounts receivable	(139,212)	—
Decrease (increase) in trade notes and accounts receivable, and contract assets	—	140,242
Decrease (increase) in sales finance receivables	773,543	476,338
Decrease (increase) in inventories	282,862	(12,498)
Increase (decrease) in trade notes and accounts payable	23,257	(414,416)
Retirement benefit expenses	31,706	(7,218)
Payments related to net defined benefit assets and liabilities	(39,196)	(29,847)
Other	(43,022)	(99,893)
Subtotal	1,432,470	1,014,134
Interest and dividends received	19,828	19,943
Proceeds from dividends income from affiliates accounted for by equity method	99,300	82,671
Interest paid	(180,315)	(174,732)
Income taxes paid	(48,494)	(94,829)
Net cash provided by (used in) operating activities	1,322,789	847,187
Cash flows from investing activities		
Net decrease (increase) in short-term investments	269	2,795
Purchase of fixed assets	(362,377)	(315,202)
Proceeds from sales of fixed assets	49,536	54,639
Purchase of leased vehicles	(819,928)	(808,684)
Proceeds from sales of leased vehicles	710,622	734,703
Payments of long-term loans receivable	(112)	(4,787)
Collection of long-term loans receivable	796	1,907
Purchase of investment securities	(778)	(13,803)
Proceeds from sales of investment securities	2,951	169,815
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	8,988	154
Net decrease (increase) in restricted cash	40,804	30,091
Other	108	1,537
Net cash provided by (used in) investing activities	(369,121)	(146,835)

		FY2020 (From April 1, 2020 To March 31, 2021)		FY2021 (From April 1, 2021 To March 31, 2022)
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		(1,055,807)		120,623
Proceeds from long-term borrowings		2,071,366		1,131,051
Proceeds from issuance of bonds		1,433,806		478,425
Repayments of long-term borrowings		(2,254,174)		(2,241,109)
Redemption of bonds		(772,585)		(524,920)
Proceeds from non-controlling shareholders		2,877		5,311
Purchase of treasury stock		(0)		(2)
Repayments of lease obligations		(49,191)		(47,785)
Cash dividends paid to non-controlling interests		(15,020)		(14,239)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation		(964)		—
Net cash provided by (used in) financing activities		(639,692)		(1,092,645)
Effects of exchange rate changes on cash and cash equivalents		76,934		145,033
Increase (decrease) in cash and cash equivalents		390,910		(247,260)
Cash and cash equivalents at beginning of the period		1,642,981		2,034,026
Increase due to inclusion in consolidation		135		5,926
Cash and cash equivalents at end of the period	※1	2,034,026	※1	1,792,692

(Millions of yen)

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

1. Scope of consolidation
   (1) Number of consolidated group companies: 240
   - Domestic companies: 99
   - Foreign companies: 141

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

   JATCO Tool Ltd and 36 other companies have been included in the scope of consolidation in the current fiscal year mainly due to reexamination of the scope of the consolidated companies to strengthen governance. Nissan Prince Gunma Hanbai Co., Ltd. and 2 other companies which were consolidated subsidiaries in the prior fiscal year, have been excluded from the scope of consolidation in the current fiscal year due to sales of their shares. NIFTY Warehouse Trust No.4 and 3 other companies which were consolidated subsidiaries in the prior fiscal year, have been excluded from the scope of consolidation in the current fiscal year due to liquidation.

   (2) Number of unconsolidated subsidiaries: 16
   - Domestic companies: 10
     Yokoki Manufacturing Co., Ltd. and others
   - Foreign companies: 6
     Nissan Manufacturing Tanger Mediterranean and others

   These unconsolidated subsidiaries are immaterial in terms of their total assets, sales, net income or loss, retained earnings and others, and do not have a significant impact on the consolidated financial statements.

2. Equity method
   (1) Number of companies accounted for by the equity method: 37
   - Unconsolidated subsidiaries: 1 (0 domestic and 1 foreign companies)
     ROSE KILN RETAIL LIMITED

   JATCO Tool Ltd and 8 other companies have been excluded from the scope of the equity method and included in the scope of consolidation in the current fiscal year due to reexamination of the scope of the consolidated companies to strengthen governance. Nissan Marine Co., Ltd. which was a subsidiary accounted for by the equity method in the prior fiscal year, has been excluded from the scope of the equity method in the current fiscal year due to liquidation.
   - Affiliates: 36 (21 domestic and 15 foreign companies)
     Renault S.A., Dongfeng Motor Co., Ltd., MITSUBISHI MOTORS CORPORATION, NISSAN TOKYO SALES HOLDINGS CO., LTD. and others

   Nissan Car Techno Yamaguchi Co., Ltd and 3 other companies have become affiliates accounted for by the equity method in the current fiscal year due to reexamination of the scope of the consolidated companies to strengthen governance. Japan Charge Network Co.,Ltd. which was an affiliate accounted for by the equity method in the prior fiscal year, has been excluded from the scope of the equity method in the current fiscal year due to sales of their shares.

   (2) Number of companies not accounted for by the equity method: 20
   - Unconsolidated subsidiaries: 15
     Yokoki Manufacturing Co., Ltd. and others
   - Affiliates: 5
     Sun Co., Ltd. and others

   The impact of these companies is not significant on the consolidated net income or loss, consolidated retained earnings and others.

   (3) For these companies accounted for by the equity method whose fiscal year end differs from the consolidated fiscal year end, the financial statements of their respective fiscal years are used as the basis of the consolidated financial statements.

3. Accounting period of consolidated subsidiaries

(1) The following consolidated group companies close their books of account at:

January 31:

Yokohama Marinos Ltd.

December 31:

Nissan Mexicana, S.A. De C. V.
Nissan Exports De Mexico, S. de R.L. de C.V.
NR FINANCE MEXICO, S.A. de C.V.
NR Finance Services, S.A. de C.V.
ANZEN Agente de Seguros, S.A. de C.V.
NISSAN DO BRASIL AUTOMOVEIS LTDA
Nissan Argentina S. A.
NISSAN ARGENTINA PLAN S.A. DE AHORRO PARA FINES DETERMINADOS
Nissan Chile SpA
Nissan Peru S.A.C.
APRITE (GB) LIMITED
Nissan Manufacturing RUS, Limited Liability Company
NISSAN MOTOR UKRAINE Limited Liability Company
Yulon Nissan Motor Co., Ltd.
NISSAN (CHINA) INVESTMENT CO., LTD.
Dongfeng Nissan Auto Finance Co., Ltd.
Dongfeng Nissan Financial Leasing Co., Ltd.
Wuhan Dongfeng Insurance Broker Co., Ltd.
Wuhan Dongfeng Xinda Economic Information Consulting Co., Ltd.
Nissan Shanghai Co., Ltd.
JATCO MEXICO S.A. DE C.V.
JATCO (Guangzhou) Automatic Transmission Ltd.
JATCO (Suzhou) Automatic Transmission Ltd.
Nissan Guangzhou Co., Ltd.
NISSAN TRADING CHINA CO., LTD
Nissan (Shanghai) Automotive Design Co., Ltd.
JATCO USA, Inc.
JATCO Korea Engineering Corporation
JATCO France SAS
JATCO Korea Service Corporation
NISSAN TRADING DO BRASIL PRODUTOS AUTOMOTIVOS LTDA
VINZ 2020 Retail Auto Mortgage Loan securitization Trust (Phase 3)
VINZ 2021 Retail Auto Mortgage Loan securitization Trust (Phase 1)
VINZ 2021 Retail Auto Mortgage Loan securitization Trust (Phase 2)
VINZ 2021 Retail Auto Mortgage Loan securitization Trust (Phase 3)

(2) Of these 36 companies, Nissan Mexicana, S.A. De C. V. and 21 other companies whose fiscal year end is December 31 close their books of account at March 31 for consolidation reporting purpose. With respect to Yokohama Marinos Ltd. whose fiscal year end is January 31, and Yulon Nissan Motor Co., Ltd. and 12 other companies whose fiscal year end is December 31, the necessary adjustments were made in consolidation to reflect any significant transactions from February 1 to March 31 and January 1 to March 31.

4. Significant accounting policies

(1) Valuation methods for assets

①Securities

Held-to-maturity securities:

Held-to maturity securities are stated at amortized cost.

Other securities:

Marketable securities:

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

Non-marketable securities:

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

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

②Derivative financial instruments

Derivative financial instruments are stated at fair value.

③Inventories

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

(2) Depreciation of property, plant and equipment

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

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

(3) Basis for significant reserves

①Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty. Some foreign subsidiaries and affiliates have adopted IFRS 9 and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, and recognized impairment losses on financial assets using the expected credit loss model.

②Accrued warranty costs

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

(4) Accounting for retirement benefits

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

Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 5 to 15 years).

Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 7 to 24 years). Some foreign subsidiaries and affiliates have adopted the corridor approach for actuarial gain and loss, and amortize them over the average remaining years of services of the eligible employees or the average life expectancy of the eligible employees.

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

(5) Reporting of significant revenue and expenses

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

Regarding the sales of vehicles and parts in the Automobile business, the Group usually recognizes revenue when products are delivered to customers, as control over products is considered to be transferred to customers when they can use and/or sell products at their own discretion. Transactions in which services are provided over a certain period of time primarily include paid extended warranties and maintenance services. Revenue is recognized over time in accordance with the progress of the performance obligation satisfied. Revenue is measured based on transaction price specified in a contract with customers, excluding the amounts collected on behalf of third parties such as tax authorities.

The Group provides incentives primarily to dealers which are calculated based on total vehicle volume or vehicle unit sales of certain models sold by dealers during a specified period of time. The Group accrues these incentives as revenue reductions upon the sale of a vehicle utilizing “the most likely amount method”.

Payments for products received from customers are collected in accordance with the terms and conditions of relevant sales agreements and amounts of financing component included in the payments are not material.

In addition, product sales contracts with customers include warranty clauses to cover free replacement or repair needed to correct defects in materials or workmanship of all parts and components and the Group recognizes provisions for product warranties to meet these guarantees. The provision is stated in the notes 4. Significant accounting policies (3) Basis for significant reserves ②Accrued warranty costs.

Interest income from sales finance services in the Sales financing business is recognized at an amount equivalent to interest over the contractual period. Interest income from finance lease transactions is recognized over the fiscal years concerned. Revenue from operating lease transactions is recognized by allocating the total of the lease payments over the lease term based on the contract.

(6) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are recognized as gain or loss.

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

(7) Hedge accounting method

①Hedge accounting method

In principle, deferred hedge accounting is applied for derivative instruments.

If qualifies for specific conditions under J-GAAP, the following exceptional hedge treatments can be applied.

- Hedged items for foreign currency denominated transactions can be booked directly using the forward contract rate, except for accounts receivables to which deferred hedge accounting is applied.
- For interest rate swap, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation.

②Hedging instruments and hedged items

- Hedging instruments....Derivative transactions
- Hedged items...............Mainly receivables and payables denominated in foreign currencies and others

③Hedging policy

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

④Assessment of hedge effectiveness

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

(8) Amortization of goodwill

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

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

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

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

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

(10) Adoption of consolidated taxation system

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

(11) 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).

(Significant accounting estimates)

1. Impairment loss on fixed assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

The amount of impairment loss recorded in the consolidated statement of income for the current fiscal year is stated in the notes (For consolidated statement of Income) 6 ※6 Impairment loss.

(2) Details of significant accounting estimates related to the identified items

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

The assumptions used to estimate future cash flows are based on the Company's business plan which is approved by the Management meeting considering historical market share conditions, profit margins, and third-party TIV forecast. Regional market growth rates, relevant market trends including the impact of COVID-19 and the semiconductor shortage, the geopolitical issues surrounding Russia and Ukraine and expected changes in the business environment are also considered. Net realizable value is calculated based on the real estate appraisal value etc. and other publicly available information. The discount rate is calculated based on the weighted average cost of capital, taking into account country risk and other factors in each country.

The balance of business-use assets of the automobile business in the consolidated balance sheet of the current fiscal year is ¥2,452,478 million. As a result of impairment testing for asset groups for which there were indications of impairment due to continuous operation losses or significant deterioration in the business environment, etc. in the current fiscal year, impairment losses were recorded for part of the asset groups. Estimated future cash flows for each region are based on NISSAN NEXT, which was announced in May 2020.

If market trends, economic environment or preconditions for business plans change significantly in relation to the asset group, and the Company revises its estimates of future cash flows and net realizable value, then the Company may recognize or record new or additional impairment losses on fixed assets.

2. Deferred tax assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

The net amount of deferred tax assets in the consolidated balance sheet of the current fiscal year is ¥156,553 million. The amounts of deferred tax assets and valuation allowances before offsetting are stated in the notes (For tax-effect accounting).

(2) Details of significant accounting estimates related to the identified items

In assessing the recoverability of deferred tax assets, future taxable income is reasonably estimated based on the Company's business plan which is approved by the aforementioned Management meeting for any future deductible temporary differences that remain after taking into account the reversal of future taxable temporary differences and feasible tax planning strategies.

The net amount of deferred tax assets of the Company is ¥134,012 million. The Company evaluates the recoverability of deferred tax assets based on reasonable estimate of taxable income for the next fiscal year based on the Company's business plan.

If market trends, economic environment or preconditions for business plans change significantly, and the Company revises its estimates of future taxable income, then this may affect the valuation of deferred tax assets.

3. Allowance for doubtful accounts

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

The allowance for doubtful accounts of the sales finance business in the consolidated balance sheet of the current fiscal year is ¥118,592 million. The allowance for doubtful accounts of Nissan Motor Acceptance Company LLC, which complies with Financial Accounting Standards Board (FASB) ASC 326 is ¥64,911 million.

(2) Details of significant accounting estimates related to the identified items

An allowance for doubtful accounts is provided to recognize bad debt losses for sales finance receivables, automotive trade receivables, etc. based on an estimate of their collectability calculated based on past experience. When estimating the collectability of receivables, the Group evaluates the credit risk of customers and the value of assets pledged as collateral. In addition, if the credit risk of receivables changes due to changes in the external environment, such as the expectation of a significant deterioration in economic indicators due to the impact of COVID-19 etc., the Company will additionally take into consideration the relevant factors, if necessary. For example, the Group may need to increase the allowance or incur bad debt losses if estimates based on past experience differ materially from market value forecasts, perceived individual credit risk, or a deterioration in the value of pledged collateral.

Certain foreign subsidiaries and affiliates which applies International Financial Reporting Standards (IFRS) 9 and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, recognize allowances for doubtful accounts based on financial asset impairment losses calculated using the expected credit loss model. Under IFRS 9, expected credit loss is calculated after classifying financial assets into stages according to their credit risk, while under ASC 326, expected credit loss over the remaining life is calculated for all financial receivables without classifying the stages. It is required to measure credit losses from future projected default events at the present value. Allowances under IFRS and ASC can increase or decrease based on the changes in assumptions that drive credit risk assessments, such as past experience, used car prices, and forecasts of macroeconomic factors, such as unemployment rates or inflation.

4. Provision for residual value risk of leased vehicles

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

Provision for loss on residual value of leased vehicles recorded in the machinery and equipment (net amount) in the balance sheet of the current fiscal year is ¥107,787 million. The book value of assets under lease contracts (lessor) is shown in the notes (For consolidated balance sheets) 2 ※2.

(2) Details of significant accounting estimates related to the identified items

Subsidiaries, primarily in North America, estimate provisions for the residual value risk of leased vehicles to cover losses that arise when proceeds from leased vehicles that have been returned fall below the net book values of these assets at lease-end.

Such provisions for residual value risk of leased vehicles are recognized as a change in estimate and their ending book value is further changed, leading to higher or lower depreciation amounts. The estimate of residual value is updated mainly based on the expected sale price of the leased vehicle and the expected return rate. Assessment of updated vehicle residual values is affected by many factors, including, but not limited to sales results for used cars, trends in returns of leased vehicles, new vehicle sales trends, supplies of used cars, customer preferences, marketing strategies, and general economic conditions. Leased vehicles may be impaired if used car market price falls and impairment indicator exist and their recoverable amount is less than book value.

5. Expenses for market measures such as recalls

(1) Amount recorded in the consolidated financial statements for the current fiscal year (Ending balance)

Service cost recorded in the consolidated statement of income for the current fiscal year is ¥72,184 million.

(2) Details of significant accounting estimates related to the identified items

The amount of estimated expenses for market measures is recognized as accrued expenses other than accrued warranty costs when market measures based on notifications to government authorities are deemed to be necessary. In estimating expenses, the estimated accrual is calculated based on the number of applicable model on the markets, the expected implementation rates of market measures, the cost of market measures and other cost per unit. The expected implementation rates of market measures are estimated based on historical results by sales region, brand, and age of product portfolio.

The Company checks trends in market measures every quarter, and additional accrued expenses may be recorded or reversed if actual accruals differ from estimates due to unexpected increase or decrease in number of market measures.

(Changes in accounting policies)

(1) Accounting Standards Board of Japan (ASBJ) Statement No. 29 "*Accounting Standard for Revenue Recognition*"

"*Accounting Standard for Revenue Recognition*" (ASBJ Statement No. 29, March 31, 2020. Hereinafter the "Revenue Recognition Standard") and related guidelines have been adopted from the beginning of the fiscal year ended March 31, 2022. In line with this adoption, revenue is recognized upon the transfer of control of the promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

The main impacts of the adoption of the Revenue Recognition Standard are as follows: the timing of revenue recognition for retail sales of vehicles at domestic sales subsidiaries was changed from the time of registration of a vehicle to the time of delivery to customers, for the transactions in which domestic subsidiaries act as agents, revenue was previously recognized at the total amount of consideration received from the customer, but is now recognized at the net amount received from the customer less the amount paid to the supplier.

In adopting the Revenue Recognition Standard, in accordance with the transitional treatment set forth in the proviso of Article 84 of the Revenue Recognition Standard, the cumulative impact of retrospective application of the standards prior to the beginning of the current fiscal year was added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2022.

As a result, for the fiscal year ended March 31, 2022, net sales and cost of sales decreased by ¥50,254 million and ¥55,527 million, respectively, and income before income taxes increased by ¥4,909 million. In addition, the balance of retained earnings at the beginning of the fiscal year ended March 31, 2022 decreased by ¥8,828 million.

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

As a result of the adoption of the Revenue Recognition Standard, "Trade notes and accounts receivable," which was presented under "Current assets" in the consolidated balance sheet for the prior fiscal year, is included in "Trade notes and accounts receivable, and contract assets" and "Decrease (increase) in trade notes and accounts receivable," which was presented under "Cash flows from operating activities" in the consolidated statement of cash flows for the prior fiscal year, is included in "Decrease (increase) in trade notes and accounts receivable, and contract assets" from the fiscal year ended March 31, 2022.

In accordance with the transitional treatment set forth in Article 89-2 of the Revenue Recognition Standard, consolidated financial statements for past periods have not been reclassified using the new presentation method. Also, footnotes for the (Revenue Recognition) for the prior fiscal year have not been presented in accordance with the transitional treatment set forth in Article 89-3 of the Revenue Recognition Standard.

(2) Accounting Standards Board of Japan (ASBJ) Statement No. 30 "*Accounting Standard for Fair Value Measurement*"
"*Accounting Standard for Fair Value Measurement*" (ASBJ Statement No. 30, July 4, 2019) and other standards have been adopted from the beginning of the fiscal year ended March 31, 2022, and in accordance with the transitional treatment set forth in Article 19 of "*Accounting Standard for Fair Value Measurement*" and Article 44-2 of "*Accounting Standard for Financial Instruments*" (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by "*Accounting Standard for Fair Value Measurement*" and other standards into the future. The impacts of this adoption on the consolidated financial statements are immaterial.
In addition, "Fair Value of Financial Instruments by levels" was represented in "Notes to financial instruments". However, in accordance with the transitional treatment set forth in Article 7-4 of *"Implementation Guidance on Disclosures about Fair Value of Financial Instruments"* (ASBJ Guidance No. 19, July 4, 2019), notes pertaining to the prior fiscal year are not presented.

(Changes in presentation)

1. Consolidated statement of income

"Gain on sales of investment securities," which was included in "Other" under "Special gains" in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality.
To reflect this change, ¥126 million of "Other" under "Special gains" in the prior fiscal year has been reclassified into "Gain on sales of investment securities" in the consolidated statement of income for the prior fiscal year provided herein.

"Subsidy income and others," which was presented as a separate account under "Special gains" in the prior fiscal year, has been included in "Other" in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥6,924 million of "Subsidy income and others" under "Special gains" in the prior fiscal year has been reclassified into "Other" in the consolidated statements of income for the prior fiscal year provided herein.

"Loss on shutdowns and others due to COVID-19," which was presented as a separate account under "Special losses" in the prior fiscal year, has been included in "Other" in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥43,499 million of "Loss on shutdowns and others due to COVID-19" under "Special losses" in the prior fiscal year has been reclassified into "Other" in the consolidated statement of income for the prior fiscal year provided herein.

2. Consolidated statement of cash flows

"Loss (gain) on sales of investment securities," which was included in "Other" under "Cash flows from operating activities" in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality.
To reflect this change, ¥(126) million of "Other" under "Cash flows from operating activities" in the prior fiscal year has been reclassified into "Loss (gain) on sales of investment securities" in the consolidated statement of cash flows for the prior fiscal year provided herein.

(Additional information)

1. Litigation for damages related to vehicle distribution agreement dispute
On July 4, 2019, Al Dahana filed a lawsuit against the Company, its consolidated subsidiary, Nissan Middle East FZE and its equity-method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in relation to a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ruled that the Company and Nissan Middle East FZE must pay AED 1,159,777,806.50 plus interest.
Although the Company maintains that it has fully complied with its contractual obligations and had filed an appeal against this court judgment, the Company had recorded the amount of judgment plus interest totaling ¥38,758 million under "Selling, general and administrative expenses" considering the ruling in the second quarter of the fiscal year ended March 31, 2022.
On June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. Al Dahana may file a further appeal to the Dubai Court of Cassation to challenge this decision, and the Company will challenge any appeal to the Dubai Court of Cassation. Considering the ongoing dispute, the above accounting treatment has not been changed.

2. The impact of the geopolitical issues surrounding Russia and Ukraine
The Company and its subsidiaries assume that the impact of the geopolitical issues surrounding Russia and Ukraine will continue for a certain period of time. Based on our best estimate, the Company and its subsidiaries recorded the expenses related to Russia and Ukraine businesses of ¥15.2 billion in the fiscal year ended March 31, 2022. In addition, our share of the impact of a non-cash adjustment charge from Renault related to its Russia business announced on March 23, 2022, in the amount of ¥37.4 billion was recorded in Equity in earnings of affiliates.
However, there are many uncertainties over the impact of the geopolitical issues surrounding Russia and Ukraine, which may have a material impact on the Group's financial position and operating results for the fiscal year ended March 31, 2023 and thereafter.

(For consolidated balance sheets)

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Accumulated depreciation of property, plant and equipment	5,687,422	5,973,584
(Accumulated depreciation of leased assets included)	134,862	146,209

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Assets leased to others under lease agreements (lessor)	2,163,875	2,049,047

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

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Sales finance receivables	1,818,744 (1,818,744)	2,109,503 (2,109,503)
Machinery, equipment and vehicles, net	768,261 (768,261)	515,637 (515,637)
Total	2,587,005	2,625,140

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Short-term borrowings	—	508,391 (508,391)
Long-term borrowings (including the current portion)	1,501,986 (1,501,986)	1,167,263 (1,167,263)
Total	1,501,986	1,675,654

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

4 Guarantees and others

Prior fiscal year (As of March 31, 2021)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 19,154	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 624	Guarantees for loans and others
Total	19,778	

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

(*2) The guarantee balance of ¥624 million is the guarantees made by a foreign subsidiary to a financial institution that 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.	15	Commitments to provide guarantees for loans

Current fiscal year (As of March 31, 2022)

(1) Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 15,720	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 773	Guarantees for loans and others
Total	16,493	

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

(*2) The guarantee balance of ¥773 million is the guarantees made by a foreign subsidiary to a financial institution that 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.	6	Commitments to provide guarantees for loans

5 Contingent Liabilities

・Lawsuits related to Takata's airbag inflators

Mainly in the United States ("U.S.") and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata's airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. The lawsuits allege that the subject airbag inflators did not function properly, and seek, among others, damages for economic losses, incurred costs, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive damages. Most of the class action lawsuits in the U.S. were transferred to the U.S. District Court for the Southern District of Florida and consolidated into a multi-district litigation ("MDL"). The Company and Nissan North America, Inc. ("NNA") have agreed to a proposed settlement that would resolve the US class actions that are pending against them in the MDL, through a number of customer-focused programs. In September 2017, the court in the MDL granted preliminary approval to the proposed settlement, and in February 2018, the court granted final approval to the proposed settlement. The settlement of $87.9 million has been fully paid off. Although there are some ongoing 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.

・Lawsuits related to misstatements in Annual Securities Reports ("Yukashoken-Houkokusho")

As a consequence of misstatements in Annual Securities Reports for each fiscal year in the past, there are some ongoing domestic and foreign lawsuits.

The consolidated financial results may be affected by the progress of legal proceedings.

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Goodwill	3,587	2,565

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Investments in stock of unconsolidated subsidiaries and affiliates	930,310	1,024,013
(Investments in stock of joint ventures included)	473,390	555,882

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Lease receivables	30,153	23,758
Lease investment assets	123,948	158,460

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Total credit lines of overdrafts and loans	231,229	252,716
Loans receivable outstanding	128,510	91,876
Unused credit lines	102,719	160,840

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

10 ※7 Receivables from contracts with customers, contract assets, and contract liabilities arising are not separately presented.

For details, please refer to "Notes to Consolidated Financial Statements (Revenue recognition), 3. Information to understand the amount of revenue in the current and subsequent fiscal years (1) Contract assets and contract liabilities" in the consolidated financial statements.

(For consolidated statement of income)

1 ※1 Revenue from contracts with customers

With regard to net sales, revenue from contracts with customers and revenue from the other sources are not separately presented. For details, please refer to "Notes to Consolidated Financial Statements (Revenue recognition), 1. Information about breakdown of revenue from contracts with customers" in the consolidated financial statements.

2 ※2 Total research and development costs

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Research and development costs included in manufacturing costs and selling, general and administrative expenses	503,486	484,065

3 ※3 The ending inventory balance represents after write-down of book value when their carrying amounts become unrecoverable, and the write-down (after offsetting the reversal of the prior fiscal year's write-down) are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Cost of sales	5,901	(459)
Special losses (Other)	—	3,161

4 ※4 Gain on sales of fixed assets

Prior fiscal year (From April 1, 2020 to March 31, 2021)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥15,102 million.

Current fiscal year (From April 1, 2021 to March 31, 2022)

Gain on sales of fixed assets primarily consisted of a gain on sale of land of ¥19,641 million and a gain on sale of machinery, equipment and vehicles of ¥13,782 million.

5 ※5 Loss on sales of fixed assets

Prior fiscal year (From April 1, 2020 to March 31, 2021)

Loss on sales of fixed assets primarily consisted of a loss on sale of land of ¥995 million and a loss on sale of machinery, equipment and vehicles of ¥1,162 million.

Current fiscal year (From April 1, 2021 to March 31, 2022)

Loss on sales of fixed assets primarily consisted of a loss on sale of land of ¥1,998 million and a loss on sale of machinery, equipment and vehicles of ¥1,830 million.

6 ※6 Impairment loss

Prior fiscal year (From April 1, 2020 to March 31, 2021)

The following loss on impairment of fixed assets was recorded.
The Group bases its grouping for assessing the impairment loss on fixed assets both on its business segments (automobiles and sales financing) and on the regional classifications that are complementary with each other. The Group conducted impairment testing for asset groups for which there were indications of impairment during the fiscal year ended March 31, 2021. As a result, the book value of the following business assets of the automobile segment was written down to the recoverable amount, and an extraordinary loss was recorded as an impairment loss by ¥1,964 million. The recoverable value of the asset is measured by the net selling price. The net sale price is calculated based on the real estate appraisal value, etc.

Usage	Type	Location	Amount (Millions of yen)
Business-use assets	Machinery, equipment and vehicles and others	Americas	1,964

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

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Land, Machinery, equipment and vehicles, Intangible fixed assets and others	Japan, Europe, Asia and Other overseas countries (Total 202 locations)	5,210
Assets to be disposed of	Buildings and structures, Machinery, equipment and vehicles and others	Japan and Other overseas countries (Total 22 locations)	1,935

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥7,145 million and has been recorded as special losses in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥5,210 million on idle assets (land - ¥1,061 million; machinery, equipment and vehicles - ¥1,938 million; intangible fixed assets - ¥821 million; and others - ¥1,390 million) and losses of ¥1,935 million on assets to be disposed of (buildings and structures - ¥1,015 million; machinery, equipment and vehicles - ¥503 million; and others - ¥417 million).
The recoverable value of these assets was measured by net sales value. Property, plant and equipment of idle assets and assets to be disposed of were evaluated based on the appraisal value using real estate appraisal standards, etc., and intangible fixed assets of idle assets were estimated as zero because future use will not be expected.

Current fiscal year (From April 1, 2021 to March 31, 2022)

The following loss on impairment of fixed assets was recorded.
The Group bases its grouping for assessing the impairment loss on fixed assets both on its business segments (automobiles and sales financing) and on the regional classifications that are complementary with each other. In the current fiscal year, the groupings were partially revised to a more detailed management classification in accordance with the current regional business management structure and inter-regional relationships.
The Group conducted impairment testing for asset groups for which there were indications of impairment due to continuous operating losses or significant deterioration in the business environment, etc. during the current fiscal year. As a result, the book value of the following business assets of the automobile segment was written down to the recoverable amount, and an extraordinary loss was recorded as an impairment loss of ¥11,580 million. The recoverable value of the asset is measured by net sales value, and items that are difficult to sell are valued at zero.

Usage	Type	Location	Amount (Millions of yen)
Business-use assets	Buildings and structures and others	Europe	11,580

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

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Land, Buildings and structures and others	Japan, Asia and Other overseas countries (Total 10 locations)	4,108
Assets to be sold	Land and Buildings and structures	Japan (Total 2 locations)	240
Assets to be disposed of	Land, Buildings and structures, Machinery, equipment and vehicles and others	Japan (Total 15 locations)	1,045

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥5,393 million and has been recorded as special losses in the accompanying consolidated statements of income. This impairment loss consisted of losses of ¥4,108 million on idle assets (land - ¥878 million; buildings and structures - ¥1,397 million; and others - ¥1,833 million), losses of ¥240 million on assets to be sold (land - ¥172 million; and buildings and structures - ¥68 million), and losses of ¥1,045 million on assets to be disposed of (land - ¥354 million; buildings and structures - ¥355 million; machinery, equipment and vehicles - ¥326 million; and others - ¥10 million).
The recoverable value of these assets was measured by net sales value. Property, plant and equipment of idle assets and assets to be disposed of were evaluated based on the appraisal value using real estate appraisal standards, etc., and assets to be sold were evaluated based on sales contracts.

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and tax effects concerning other comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Unrealized holding gain and loss on securities:		
Amount arising during the period	108,390	(9,891)
Reclassification adjustments for gains and losses realized in net income	(92)	(77,044)
Before tax-effect adjustment	108,298	(86,935)
Amount of tax effects	(26,963)	26,988
Unrealized holding gain and loss on securities	81,335	(59,947)
Unrealized gain and loss from hedging instruments:		
Amount arising during the period	(53,375)	(28,827)
Reclassification adjustments for gains and losses realized in net income	66,505	66,824
Adjustments of acquisition cost for assets	—	(295)
Before tax-effect adjustment	13,130	37,702
Amount of tax effects	(3,378)	(10,744)
Unrealized gain and loss from hedging instruments	9,752	26,958
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting:		
Amount arising during the period	(1,309)	(140)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(1,309)	(140)
Amount of tax effects	—	—
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(1,309)	(140)
Translation adjustments:		
Amount arising during the period	152,987	350,114
Reclassification adjustments for gains and losses realized in net income	(472)	721
Before tax-effect adjustment	152,515	350,835
Amount of tax effects	—	—
Translation adjustments	152,515	350,835
Remeasurements of defined benefit plans:		
Amount arising during the period	196,624	67,710
Reclassification adjustments for gains and losses realized in net income	17,733	(6,255)
Before tax-effect adjustment	214,357	61,455
Amount of tax effects	(64,432)	(2,661)
Remeasurements of defined benefit plans	149,925	58,794
The amount related to equity method companies		
Amount arising during the period	8,268	73,733
Reclassification adjustments for gains and losses realized in net income	(10,485)	618
Before tax-effect adjustment	(2,217)	74,351
Amount of tax effects	—	—
The amount related to equity method companies	(2,217)	74,351
Total other comprehensive income	390,001	450,851

(For consolidated statement of changes in net assets)

Prior fiscal year (From April 1, 2020 to March 31, 2021)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	308,801	4	(2,154)	306,651

Notes: 1. Details of the increase are as follows: (Thousands of shares)
Increase in stocks held by affiliates accounted for by the equity method 1
Increase due to purchase of stocks of less than a standard unit 3
2. Details of the decrease are as follows:
Decrease in stocks held by affiliates accounted for by the equity method 2,154

2. Share subscription rights

Not applicable.

3. Dividends

(1) Dividends paid

Not applicable.

(2) Dividends, which the record date was in the year ended March 31, 2021 and the effective date of which is in the year ended March 31, 2022

Not applicable.

Current fiscal year (From April 1, 2021 to March 31, 2022)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Types of share	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	306,651	805	(1,204)	306,252

Notes: 1. Details of the increase are as follows: (Thousands of shares)
Increase in stocks held by affiliates accounted for by the equity method 802
Increase due to purchase of stocks of less than a standard unit 3
2. Details of the decrease are as follows:
Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program 1,204

2. Share subscription rights

Not applicable.

3. Dividends

(1) Dividends paid

Not applicable.

(2) Dividends, which the record date was in the year ended March 31, 2022 and the effective date of which is in the year ending March 31, 2023

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 28, 2022	Common stock	19,573	Retained earnings	5	March 31, 2022	June 29, 2022

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

(For consolidated statements of cash flows)

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

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Cash on hand and in banks	1,871,794	1,432,047
Time deposits with maturities of more than three months	—	—
Cash equivalents included in securities (*)	162,232	360,645
Cash and cash equivalents	2,034,026	1,792,692

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

(For lease transactions)

1. Finance lease transactions

(Lessees' accounting)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

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

(Lessors' accounting)

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Lease income receivable	130,870	171,095
Estimated residual value	3,062	2,879
Interest income equivalent	(9,984)	(15,514)
Lease investment assets	123,948	158,460

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

Prior fiscal year (As of March 31, 2021) (Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	20,603	66,330
Due after one year but within two years	7,859	34,044
Due after two years but within three years	384	16,277
Due after three years but within four years	132	7,307
Due after four years but within five years	53	3,288
Due after five years	20	3,624

Current fiscal year (As of March 31, 2022) (Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	19,641	89,099
Due after one year but within two years	2,773	45,570
Due after two years but within three years	238	22,185
Due after three years but within four years	126	10,103
Due after four years but within five years	46	3,862
Due after five years	39	276

2. Operating lease transactions

(Lessees' accounting)

Future minimum lease payments subsequent to March 31, 2021 and March 31, 2022 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Due in one year or less	1,862	1,159
Due after one year	9,220	9,690
Total	11,082	10,849

Note: At foreign subsidiaries, IFRS 16, *"Leases"* (January 13, 2016) and ASU 2016-02 *"Leases"* (February 25, 2016) have been adopted. The operating leases of these foreign subsidiaries are not included in amounts of above table.

(Lessors' accounting)

Future minimum lease income subsequent to March 31, 2021 and March 31, 2022 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Due in one year or less	391,004	360,856
Due after one year	398,157	378,865
Total	789,161	739,721

(For financial instruments)

1. Financial Instruments

(1) Policies on financial instruments

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

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

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

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

(2) Description of financial instruments and related risks

① Trade notes and accounts receivable

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

② Sales finance receivables

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

③ Securities and investment securities

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

④ Trade notes and accounts payable

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

⑤ Borrowings, bonds and lease obligations

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

⑥ Derivative transactions

(1) Forward foreign exchange contracts

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

(2) Currency options

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

(3) Interest rate swaps

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

(4) Currency swaps

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

(5) Interest rate options

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

(6) Commodity swaps

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

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

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

① Management of market risk

Although derivative transactions are used for the purpose of hedging risks on the assets and liabilities recorded in the consolidated balance sheets, there remains the risk of foreign currency exchange fluctuations on currency transactions, the risk of interest rate fluctuations on interest rate transactions and the risk of market price fluctuations on commodity transactions. All the derivative transactions of the Group are carried out pursuant to the internal risk management rules, which stipulate the Group's basic policies for derivative transactions, management policies, management items, trading procedures, criteria for the selection of counterparties, the reporting system and so forth. The Group's financial market risk is controlled by the Company in a centralized manner, and it is stipulated that no individual subsidiary can initiate a hedge transaction such as derivative transactions without the prior approval of and regular reporting back to the Company. The basic policy on the acquisition of derivative transactions is subject to the approval of the Hedge Policy Meeting, which is attended by the Chief Financial Officer and the staff in charge. The execution and management of all transactions are to be conducted in accordance with the aforementioned risk management rules pursuant to the decisions made at those meetings. Derivative transactions are conducted by a special section of the Finance Department, and the verification of the relevant trade agreements and the monitoring of position balances are the responsibility of the Accounting Section and the Risk Management Section. Commodity swaps are conducted by the Finance Department in accordance with the acquisition policy determined by the corporate officer in charge of the Purchasing Department and the Chief Financial Officer.

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

② Management of credit risk

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

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

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

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

③ Management of liquidity risk related to financing

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

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

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

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

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2021 and March 31, 2022 for various financial instruments.

Prior fiscal year (As of March 31, 2021)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Sales finance receivables (*2)	6,178,779		
Allowance for doubtful accounts (*3)	(165,635)		
Subtotal	6,013,144	5,988,496	(24,648)
(2) Investment securities (*4)	565,568	544,557	(21,011)
(3) Long-term loans receivable	11,572		
Allowance for doubtful accounts (*3)	(1,992)		
Subtotal	9,580	9,580	—
Total assets	6,588,292	6,542,633	(45,659)
(4) Bonds (*5)	2,561,513	2,661,515	(100,002)
(5) Long-term borrowings (*5)	3,895,474	3,899,499	(4,025)
(6) Lease obligations (*5)	118,992	118,721	271
Total liabilities	6,575,979	6,679,735	(103,756)
Derivative transactions (*6)	(6,341)	(6,341)	—

(*1) Cash on hand and in banks, trade notes and accounts receivable, securities, trade notes and accounts payable, short-term borrowings and commercial papers are omitted because they are cash or are settled within a short time and the fair value is almost equal to the book value.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥35,018 million of deferred installments income and others.

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

(*4) The following financial instruments are not included in (2) Investment securities, as it is deemed difficult to measure the fair value because they are nonmarketable and future cash flows cannot be estimated. The amounts of financial instruments recorded in the consolidated balance sheets are as follows.

(Millions of yen)

Classification	Prior fiscal year
Unlisted stocks	563,439

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

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

Current fiscal year (As of March 31, 2022)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Sales finance receivables (*2)	6,238,086		
Allowance for doubtful accounts (*3)	(119,291)		
Subtotal (*4)	6,118,795	6,034,293	(84,502)
(2) Investment securities (*5)	414,153	319,542	(94,611)
(3) Long-term loans receivable	7,640		
Allowance for doubtful accounts (*3)	(2,742)		
Subtotal	4,898	4,904	6
Total assets	6,537,846	6,358,739	(179,107)
(1) Bonds (*6)	2,734,796	2,680,968	53,828
(2) Long-term borrowings (*6)	3,027,219	2,995,406	31,813
(3) Lease obligations (*6)	134,568	134,434	134
Total liabilities	5,896,583	5,810,808	85,775
Derivative transactions (*7)	30,860	30,860	—

(*1) Cash on hand and in banks, trade notes and accounts receivable, and contract assets, securities, trade notes and accounts payable, short term borrowings and commercial papers are omitted because they are cash or are settled within a short time and the fair value is almost equal to the book value.

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥36,664 million of deferred installments income and others.

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

(*4) The difference between the amount recorded in the consolidated balance sheets and the fair value is mainly due to the discount rate.

(*5) Unlisted stocks and investments in limited liability partnerships are not included in (2) Investment securities. The amounts of financial instruments recorded in the consolidated balance sheets are as follows.

(Millions of yen)

Classification	Current fiscal year
Unlisted stocks	637,133
Limited liability partnership	3,600

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

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

(Note 1) Redemption schedule after the balance sheet date for monetary receivables and securities with maturity dates

Prior fiscal year (As of March 31, 2021) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,871,794	—	—	—
Trade notes and accounts receivable	518,451	—	—	—
Sales finance receivables (*1)	2,742,991	3,339,572	96,000	216
Long-term loans receivable	1,343	9,382	604	243
Total	5,134,579	3,348,954	96,604	459

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥35,018 million of deferred installment income and others

Current fiscal year (As of March 31, 2022) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,432,047	—	—	—
Trade notes and accounts receivable, and contract assets	402,489	—	—	—
Sales finance receivables (*1)	2,596,443	3,495,564	146,071	8
Long-term loans receivable	233	5,630	1,540	237
Total	4,431,212	3,501,194	147,611	245

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥36,664 million of deferred installment income and others

(Note 2) Redemption schedule after the balance sheet date for bonds, long-term borrowings, lease obligations and other interest-bearing debt

Prior fiscal year (As of March 31, 2021) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	1,016,504	—	—	—	—	—
Commercial papers	6,749	—	—	—	—	—
Bonds	514,893	430,875	489,532	9,964	398,953	717,296
Long-term borrowings	1,721,797	1,068,674	509,205	178,486	399,174	18,138
Lease obligations	43,542	22,627	10,823	9,417	8,850	23,733
Total	3,303,485	1,522,176	1,009,560	197,867	806,977	759,167

Current fiscal year (As of March 31, 2022) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	1,050,036	—	—	—	—	—
Commercial papers	185,705	—	—	—	—	—
Bonds	471,460	534,446	214,178	481,645	202,364	830,703
Long-term borrowings	1,251,998	832,556	342,641	503,518	96,039	467
Lease obligations	48,395	30,910	12,928	11,199	9,316	21,820
Total	3,007,594	1,397,912	569,747	996,362	307,719	852,990

3. Fair Value of Financial Instruments by levels

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value derived from quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value derived from observable inputs that are not included in Level 1 inputs.

Level 3: Fair value derived from unobservable inputs.

When multiple inputs that have a significant impact on the fair value calculation are used, the fair value is classified at lower level category.

(1) Financial instruments measured at fair value

Current fiscal year (As of March 31, 2022) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Other securities Stock	1,905	—	—	1,905
Total assets	1,905	—	—	1,905
Derivative transactions (*1)	—	30,860	—	30,860
Currency-related transactions	—	10,342	—	10,342
Interest-related transactions	—	17,646	—	17,646
Commodity-related transactions	—	2,872	—	2,872

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

(2) Financial instruments other than those measured at fair value

Current fiscal year (As of March 31, 2022) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
(1) Sales finance receivables	—	—	6,034,293	6,034,293
(2) Investment securities Other securities Stock	317,637	—	—	317,637
(3) Long-term loans receivable	—	—	4,904	4,904
Total assets	317,637	—	6,039,197	6,356,834
(1) Bonds	—	2,680,968	—	2,680,968
(2) Long-term borrowings	—	2,995,406	—	2,995,406
(3) Lease obligations	—	134,434	—	134,434
Total liabilities	—	5,810,808	—	5,810,808

(Note) Valuation techniques and inputs are as follows:

Investment securities

Fair value of listed stocks is based on the price on the stock exchange. They are classified in Level 1, because they are traded in an active market.

Derivative transactions

Calculation of fair value is based on quoted prices obtained from third parties or based on discounted cash flows with observable inputs such as interest rates and foreign exchange rates and is classified as Level 2 fair value.

Sales finance receivables

Fair value is calculated based on the discounted cash flows by collection period, using discount rates reflecting maturity and credit risk and is classified as Level 3 fair value.

Long-term loans receivable

Fair value is calculated based on the discounted cash flows of each individual loan, using discount rate which would be applicable for similar new loans and is classified as Level 3 fair value.

Bonds

Fair value of marketable bonds is based on the market prices, and that of non-marketable bonds is based on the present value estimated by discounting the total principal and interest, using discount rates reflecting the remaining term and credit risk observable in the market and is classified as Level 2 fair value.

Long-term borrowings and lease obligations

Fair value is calculated based on the present value estimated by discounting the total principal and interest, using discount rates which would be applicable for similar new borrowings or lease transactions based on the observable inputs in the market and is classified as Level 2 fair value.

(For securities)

1. Other securities

Prior fiscal year (As of March 31, 2021) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	163,980	74,527	89,453
Others	2,400	805	1,595
Subtotal	166,380	75,332	91,048
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	32,317	32,338	(21)
Others	162,232	162,232	—
Subtotal	194,549	194,570	(21)
Total	360,929	269,902	91,027

Current fiscal year (As of March 31, 2022) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	1,405	113	1,292
Others	3,600	217	3,383
Subtotal	5,005	330	4,675
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	25,868	26,053	(185)
Others	360,645	360,645	—
Subtotal	386,513	386,698	(185)
Total	391,518	387,028	4,490

2. Other securities sold during the fiscal year

Prior fiscal year (From April 1, 2020 to March 31, 2021) (Millions of yen)

Types of securities	Sales proceeds	Total gain	Total loss
Stock	464	340	—
Total	464	340	—

Current fiscal year (From April 1, 2021 to March 31, 2022) (Millions of yen)

Types of securities	Sales proceeds	Total gain	Total loss
Stock	170,150	78,104	—
Total	170,150	78,104	—

3. Reclassified securities

Prior fiscal year (From April 1, 2020 to March 31, 2021)
Not applicable.

Current fiscal year (From April 1, 2021 to March 31, 2022)
Not applicable.

4. Securities for which an impairment loss was recognized

Prior fiscal year (From April 1, 2020 to March 31, 2021)
An impairment loss of ¥41 million was recognized for investment securities (stock of unconsolidated subsidiaries: ¥41 million).

Current fiscal year (From April 1, 2021 to March 31, 2022)
Not applicable.

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2021) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	EUR	62,008	—	73	73
	USD	102	—	6	6
	PHP	15,371	—	52	52
	Buy:				
	EUR	114,274	—	6,497	6,497
	USD	32,227	2,258	1,427	1,427
	Swaps:				
	EUR	476,358	58,409	1,677	1,677
	USD	241,407	206,723	(997)	(997)
	AUD	22,142	—	(22)	(22)
	CAD	40,000	40,000	(4,638)	(4,638)
	CNY	57,360	—	7,669	7,669
Total		—	—	11,744	11,744

Current fiscal year (As of March 31, 2022) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Sell:				
	PHP	4,301	—	(106)	(106)
	Buy:				
	USD	16,799	—	(1,534)	(1,534)
	Swaps:				
	EUR	288,714	20,505	11,344	11,344
	USD	524,623	354,168	33,692	33,692
	CAD	49,420	—	(8,888)	(8,888)
	AED	5,542	—	1	1
	ZAR	6,350	—	17	17
Total		—	—	34,526	34,526

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2021) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	226,765	188,608	(1,278)	(1,278)
	Receive fixed/pay floating	101,766	101,766	199	199
	Options				
	Caps sold	673,487	422,376		
	(Premium)	(888)	(862)	(159)	729
	Caps purchased	673,487	422,376		
	(Premium)	888	862	159	(729)
Total		—	—	(1,079)	(1,079)

Current fiscal year (As of March 31, 2022) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	152,166	130,841	2,941	2,941
	Receive fixed/pay floating	63,928	53,990	(1,402)	(1,402)
	Options				
	Caps sold	840,693	521,050		
	(Premium)	(1,926)	(1,488)	(3,692)	(1,766)
	Caps purchased	840,693	521,050		
	(Premium)	1,955	1,517	3,692	1,766
Total		—	—	1,539	1,539

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2021)

Not applicable.

Current fiscal year (As of March 31, 2022)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

Prior fiscal year (As of March 31, 2021) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps:				
	USD	Long-term borrowings and bonds	551,172	478,221	(7,508)
	EUR	Short-term loans receivable and bonds	19,726	—	0
	THB	Long-term borrowings	8,724	8,724	(521)
Total			—	—	(8,029)

Current fiscal year (As of March 31, 2022) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward foreign exchange contracts: Sell:				
	USD	Trade accounts receivable	400,443	26,354	3,163
	Swaps:				
	USD	Short-term borrowings and long-term borrowings	366,852	78,810	(26,599)
	EUR	Short-term borrowings	57,615	—	27
	THB	Long-term borrowings	9,069	9,069	(775)
Special treatment	Swaps:				
	USD	Bonds and long-term borrowings	140,025	138,034	Note
Total			—	—	(24,184)

Note: Fair value of currency swaps is included in that of corresponding hedged bonds and long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those currency swaps are treated as underlying transactions of hedged items.

(2) Interest-related transactions

Prior fiscal year (As of March 31, 2021) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Long-term borrowings and bonds	995,263	556,442	(8,918)
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	43,200	37,200	Note
Total			—	—	(8,918)

Note: Fair value of interest rate swaps is included in that of corresponding hedged long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those interest rate swaps are treated as underlying transactions of hedged items.

Current fiscal year (As of March 31, 2022) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Long-term borrowings and bonds	897,617	411,167	16,107
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	42,200	35,500	Note
Total			—	—	16,107

Note: Fair value of interest rate swaps is included in that of corresponding hedged long-term borrowings in “2. Fair Value of Financial Instruments” under “For financial instruments” as those interest rate swaps are treated as underlying transactions of hedged items

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2021) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps: Receive floating/pay fixed	Aluminum	846	—	(27)
		Copper	1,210	—	(17)
		Platinum	143	40	1
		Palladium	1,120	270	(15)
Total			—	—	(58)

Current fiscal year (As of March 31, 2022) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps: Receive floating/pay fixed	Aluminum	10,775	1,232	2,391
		Copper	7,778	1,035	670
		Platinum	397	36	(35)
		Palladium	3,412	193	(154)
Total			—	—	2,872

(For retirement benefits)

1. Description of retirement benefit plans

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

2. Defined-benefit pension plan

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

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Retirement benefit obligation at the beginning of the year	1,357,210	1,426,509
Service cost	27,611	23,474
Interest cost	23,979	24,198
Actuarial gain and loss generated	32,014	(80,824)
Past service cost generated	(468)	(1)
Retirement benefits paid	(66,927)	(70,543)
Effect of foreign exchange translation	49,320	60,660
Other	3,770	1,452
Retirement benefit obligation at the end of the year	1,426,509	1,384,925

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

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Plan assets at the beginning of the year	913,973	1,200,175
Expected return on plan assets (Note)	37,683	48,774
Actuarial gain and loss generated	238,895	2,027
Contribution from employers	32,845	23,423
Retirement benefits paid	(60,631)	(64,268)
Effect of foreign exchange translation	35,014	42,160
Other	2,396	300
Plan assets at the end of the year	1,200,175	1,252,591

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

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

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Net defined benefit liability and assets at the beginning of the year	434	1,347
Retirement benefit expenses	66	139
Retirement benefits paid	(24)	(111)
Contribution to plans	(31)	(38)
Effect of change in the scope of consolidation	902	911
Net defined benefit liability and assets at the end of the year	1,347	2,248

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Retirement benefit obligation for funded plans	1,350,008	1,299,726
Plan assets	(1,201,559)	(1,255,427)
	148,449	44,299
Retirement benefit obligation for unfunded plans	79,232	90,283
Net defined benefit liability and assets reported on the consolidated balance sheets	227,681	134,582
Net defined benefit liability	257,521	191,073
Net defined benefit assets	(29,840)	(56,491)
Net defined benefit liability and assets reported on the consolidated balance sheets	227,681	134,582

(5) Breakdown of retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Service cost (Note 1)	27,677	23,613
Interest cost	23,979	24,198
Expected return on plan assets	(37,683)	(48,774)
Amortization of actuarial gain and loss	19,885	(3,985)
Amortization of past service cost	(2,152)	(2,270)
Other	335	201
Retirement benefit expenses for defined benefit plans	32,041	(7,017)

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

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥57,466 million for the prior fiscal year and ¥6,802 million for the current fiscal year were accounted for as “Special addition to retirement benefits” under “Special losses” in the consolidated statements of income.

(6) Remeasurements of defined benefit plans

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

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Past service cost	(1,748)	(2,605)
Actuarial gain and loss	216,105	64,060
Total	214,357	61,455

(7) Remeasurements of defined benefit plans

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Unrecognized past service cost	2,045	(560)
Unrecognized actuarial gain and loss	(58,645)	5,415
Total	(56,600)	4,855

(8) Matters regarding plan assets

①Major components of plan assets

Plan assets consist of the following.

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Stocks	40%	38%
Bonds	41%	40%
Cash and deposits	1%	1%
Real estate (including REITs)	7%	9%
Other	11%	12%
Total	100%	100%

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 1.3% for the prior year and 1.1% for the current fiscal year.
2. "Other" includes components for which it is difficult to categorize into specific types of plan assets, such as stocks and bonds, and to identify the percentage and the amount by types of assets.

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

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

(9) Assumptions used in actuarial calculations

Major assumptions used in actuarial calculations

Domestic companies

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Discount rates	0.2%–0.8%	0.3%–1.0%
Long-term expected rates of return on plan assets	Mainly 4.0%	Mainly 4.0%
Expected future salary increase	1.8%–4.2%	1.8%–4.2%

Foreign companies

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Discount rates	0.8%–3.5%	1.5%–3.9%
Long-term expected rates of return on plan assets (US GAAP adoption companies only)	Mainly 8.0%	Mainly 7.8%
Expected future salary increase	2.5%–6.0%	2.5%–6.0%

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥16,567 million for the prior fiscal year and ¥22,596 million for the current fiscal year.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Deferred tax assets:		
Net operating loss carry forwards (*2)	331,457	369,145
Foreign tax credit	60,276	169,143
Impairment loss	139,079	127,248
Deferred tax credit	113,485	118,309
Research and development expenses	84,034	106,261
Accrued warranty costs	55,531	57,878
Service costs	48,128	52,382
Net defined benefit liability	64,483	47,549
Allowance for doubtful accounts	57,096	46,392
Loss for residual value risk of leased vehicles	41,644	31,797
Sales incentives	31,164	21,085
Allowance for bonus	17,275	18,454
Excess depreciation	13,664	16,759
Other	257,985	257,985
Total gross deferred tax assets	1,315,301	1,440,387
Valuation allowance for net operating loss carry forwards (*2)	(267,743)	(287,720)
Valuation allowance for the sum of deductible temporary differences, etc.	(346,214)	(395,822)
Valuation allowance (*1)	(613,957)	(683,542)
Total deferred tax assets	701,344	756,845
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(584,693)	(625,380)
Foreign subsidiaries unitary tax	(26,747)	(119,175)
Difference between cost of investments and their underlying net equity at fair value on land	(50,672)	(50,057)
Other	(141,235)	(127,060)
Total deferred tax liabilities	(803,347)	(921,672)
Net deferred tax assets	(102,003)	(164,827)

(*1) The valuation allowance increased by ¥69,585 million. This was mainly due to the Company's recognition of valuation allowances for net operating loss carry forwards and deductible temporary differences.

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

Prior fiscal year (As of March 31, 2021) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	10,010	21,385	14,503	17,509	25,296	242,754	331,457
Valuation allowance	(9,059)	(20,328)	(13,483)	(15,590)	(20,265)	(189,018)	(267,743)
Deferred tax assets (b)	951	1,057	1,020	1,919	5,031	53,736	63,714

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

(b) Deferred tax assets of ¥63,714 million were recognized for the balance of net operating loss carry forwards of ¥331,457 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

Current fiscal year (As of March 31, 2022) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	22,448	15,261	17,413	22,961	14,237	276,825	369,145
Valuation allowance	(21,395)	(14,233)	(14,594)	(19,368)	(12,609)	(205,521)	(287,720)
Deferred tax assets (b)	1,053	1,028	2,819	3,593	1,628	71,304	81,425

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

(b) Deferred tax assets of ¥81,425 million were recognized for the balance of net operating loss carry forwards of ¥369,145 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

(Changes in Presentation)

"Foreign subsidiaries unitary tax" included in prior fiscal year's deferred tax liabilities' "Other" is presented separately due to its increased materiality in current fiscal year. In addition, "Unrealized holding gain on securities" presented separately in prior fiscal year's deferred tax liabilities is included in "Other" due to its decreased materiality in current fiscal year. Prior fiscal year presentation is reclassified to reflect these changes.

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

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Statutory tax rate of the Company	Because loss before income taxes and minority interests was recorded for the prior fiscal year, there is no information to be disclosed here.	30.6%
(Reconciliation)		
・ Different tax rates applied to foreign consolidated subsidiaries		(6.5%)
・ Change in valuation allowance		16.7%
・ Equity in gain and loss of affiliates		(7.5%)
・ Foreign subsidiaries unitary tax		9.4%
・ Other		(4.8%)
Effective tax rates after adoption of tax-effect accounting		37.9%

(For assets retirement obligations)

Prior fiscal year (As of March 31, 2021)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2022)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.

For the fiscal year ended March 31, 2021, net income from rental property amounted to ¥5,610 million and net gain on sales of rental property amounted to ¥323 million. For the fiscal year ended March 31, 2022, net income from rental property amounted to ¥5,408 million and net gain on sales of rental property amounted to ¥1,833 million.

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

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Carrying value		
Balance at the beginning of the year	111,495	111,992
Increase/Decrease during the year	497	(2,342)
Balance at the end of the year	111,992	109,650
Fair value at the end of the year	122,524	117,322

Notes:1. The carrying value shown here is calculated by deducting the relevant accumulated depreciation and impairment loss from the property's acquisition cost.

2. The fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

(Revenue Recognition)

1. Information about breakdown of revenue from contracts with customers

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,407,121	38,178	1,445,299
North America	3,131,777	87,632	3,219,409
of which USA	2,602,958	913	2,603,871
Europe	1,055,764	—	1,055,764
Asia	860,008	2,304	862,312
Other overseas countries	946,824	3,633	950,457
Revenue from contracts with customers	7,401,494	131,747	7,533,241
Revenue from the other sources	19,398	871,946	891,344
Sales to third parties	7,420,892	1,003,693	8,424,585

Note: Revenue from the other sources consists mainly of proceeds from interest, etc. based on Accounting Standards Board of Japan (ASBJ) Statement No. 10 "*Accounting Standard for Financial Instruments*" and lease revenue based on ASBJ Statement No. 13 "*Accounting Standard for Lease Transactions*." These include revenue recognized under International Financial Reporting Standards (IFRS) 9 "*Financial Instruments*" and IFRS 16 "*Leases*" as well as standards for financial instruments such as Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 310 "*Receivables*" and ASC 842 "*Leases*" that are adopted by foreign subsidiaries.

2. Basic information to understand revenue from contracts with customers

For details, please refer to "1.Consolidated Financial Statements 4. Significant accounting policies (5) Reporting of significant revenue and expenses".

3. Information to understand the amount of revenue in the current and subsequent fiscal years

(1) Contract assets and contract liabilities

Receivables from contracts with customers (Millions of yen)

	Current fiscal year (As of April 1, 2021)	Current fiscal year (As of March 31, 2022)
Trade notes	60,944	36,741
Accounts receivable	441,075	363,125
	502,019	399,866

Receivables from contracts with customers are included in "Trade notes and accounts receivable, and contract assets".
In addition, the balances of contract assets are immaterial.

Contract Liabilities (Millions of yen)

	Current fiscal year (As of April 1, 2021)	Current fiscal year (As of March 31, 2022)
Contract Liabilities	257,960	287,592

Contract liabilities are included in "Other" in "Current liabilities" and "Long-term liabilities". Contract liabilities mainly include advances for vehicles, paid extended warranties and maintenance services, which are reversed upon revenue recognition.
The amounts of revenue recognized in the current fiscal year that were included in the contract liability balances at the beginning of the year are ¥100,232 million.
In addition, the amounts of revenue recognized in the current fiscal year from performance obligations satisfied (or partially satisfied) in previous years are immaterial.

(2) Transaction price allocated to the remaining performance obligations

The remaining performance obligations primarily consist of sales for vehicles and parts, and provision of paid extended warranties and maintenance services. The Group has excluded unsatisfied performance obligations for sales including vehicles and parts related to contracts that have an original expected duration of one year or less from this disclosure. The revenue expected to be recognized for each period is as follows:

(Millions of yen)

	Current fiscal year (As of March 31, 2022)
Due within one year	77,799
Due after one year but within five years	138,445
Due after five years	9,031
Total	225,275

(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 the features of products and services. The Automobile business includes manufacturing and sales of vehicles and parts. The Sales financing business provides sales finance services and leasing to support the sales activities of the Automobile business.

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

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

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

3. Changes to reportable segments and others

(1) Accounting Standards Board of Japan (ASBJ) Statement No. 29 "*Accounting Standard for Revenue Recognition*"

As stated in "Changes in accounting policies," the "*Accounting Standard for Revenue Recognition*" (ASBJ Statement No. 29, March 31, 2020. Hereinafter, "Revenue Recognition Standard") and related guidelines have been adopted from the beginning of the fiscal year ended March 31, 2022.

As a result, the retained earnings in the summarized consolidated balance sheets by business segments at the beginning of the fiscal year ended March 31, 2022 decreased by ¥8,155 million in Automobile & Eliminations and ¥673 million in Sales financing, respectively. In Automobile & Eliminations, for the fiscal year ended March 31, 2022, net sales decreased by ¥49,903 million, cost of sales decreased by ¥55,143 million, and income before income taxes increased by ¥4,876 million. The effects of this change on the summarized consolidated income statement for the Sales finance are immaterial.

As a result of the adoption of the Revenue Recognition Standard, "Trade notes and accounts receivable," which was presented under "Current assets" in the summarized consolidated balance sheet for the prior fiscal year, is included in "Trade notes and accounts receivable, and contract assets" from the fiscal year ended March 31, 2022. In accordance with the transitional treatment set forth in Article 89-2 of the Revenue Recognition Standard, consolidated financial statements for past periods have not been reclassified using the new presentation method.

(2) Accounting Standards Board of Japan (ASBJ) Statement No. 30 "*Accounting Standard for Fair Value Measurement*"

As stated in "Changes in accounting policies," "*Accounting Standard for Fair Value Measurement*" (ASBJ Statement No. 30, July 4, 2019) and other standards have been adopted from the beginning of the fiscal year ended March 31, 2022, and in accordance with the transitional treatment set forth in Article 19 of "*Accounting Standard for Fair Value Measurement*" and Article 44-2 of "*Accounting Standard for Financial Instruments*" (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by "*Accounting Standard for Fair Value Measurement*" and other standards into the future. The impacts of this adoption on the consolidated financial statements are immaterial.

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

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2021
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	6,883,088	979,484	7,862,572	—	7,862,572
Inter-segment sales or transfers	105,940	40,540	146,480	(146,480)	—
Total	6,989,028	1,020,024	8,009,052	(146,480)	7,862,572
Segment profits (losses)	(437,021)	267,880	(169,141)	18,490	(150,651)
Segment assets	8,676,148	8,879,340	17,555,488	(1,103,420)	16,452,068
Other items					
Depreciation and amortization expense	271,806	436,900	708,706	—	708,706
Amortization of goodwill	1,058	—	1,058	—	1,058
Interest expense (Cost of sales)	—	157,085	157,085	(12,176)	144,909
Investment amounts to equity method companies	884,097	10,896	894,993	—	894,993
Increase amounts of fixed assets and intangible fixed assets	383,513	796,229	1,179,742	—	1,179,742

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of NISSAN FINANCIAL SERVICES CO. , LTD. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 11 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 consolidated balance sheets by business segments

(Millions of yen)

Accounts	Prior fiscal year (As of March 31, 2021)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,744,798	126,996	1,871,794
Trade notes and accounts receivable	516,626	1,825	518,451
Sales finance receivables	(110,549)	6,324,346	6,213,797
Inventories	1,105,674	33,897	1,139,571
Other current assets	543,688	62,358	606,046
Total current assets	3,800,237	6,549,422	10,349,659
II. Fixed assets			
Property, plant and equipment, net	2,203,469	2,175,085	4,378,554
Investment securities	1,124,528	4,479	1,129,007
Other fixed assets	437,270	150,354	587,624
Total fixed assets	3,765,267	2,329,918	6,095,185
III. Deferred assets			
Bond issuance costs	7,224	—	7,224
Total deferred assets	7,224	—	7,224
Total assets	7,572,728	8,879,340	16,452,068
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,464,400	37,572	1,501,972
Short-term borrowings	(215,960)	3,475,903	3,259,943
Lease obligations	42,843	699	43,542
Other current liabilities	1,470,412	450,513	1,920,925
Total current liabilities	2,761,695	3,964,687	6,726,382
II. Long-term liabilities			
Bonds	1,245,390	801,230	2,046,620
Long-term borrowings	113,710	2,059,967	2,173,677
Lease obligations	74,158	1,292	75,450
Other long-term liabilities	614,605	475,508	1,090,113
Total long-term liabilities	2,047,863	3,337,997	5,385,860
Total liabilities	4,809,558	7,302,684	12,112,242
Net assets			
I. Shareholders' equity			
Common stock	380,713	225,101	605,814
Capital surplus	644,315	172,756	817,071
Retained earnings	2,514,959	1,114,979	3,629,938
Treasury stock	(139,259)	—	(139,259)
Total shareholders' equity	3,400,728	1,512,836	4,913,564
II. Accumulated other comprehensive income			
Translation adjustments	(845,388)	(60,812)	(906,200)
Others	(49,111)	(13,660)	(62,771)
Total accumulated other comprehensive income	(894,499)	(74,472)	(968,971)
III. Non-controlling interests	256,941	138,292	395,233
Total net assets	2,763,170	1,576,656	4,339,826
Total liabilities and net assets	7,572,728	8,879,340	16,452,068

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 ¥834,486 million.

(2) Summarized consolidated statement of income by business segments

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2020 to March 31, 2021)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	6,842,548	1,020,024	7,862,572
Cost of sales	6,155,814	655,933	6,811,747
Gross profit	686,734	364,091	1,050,825
Operating income as a percentage of net sales	(6.1)%	26.3%	(1.9)%
Operating income (loss)	(418,531)	267,880	(150,651)
Financial income / expenses, net	(20,603)	326	(20,277)
Other non-operating income and expenses, net	(52,445)	2,143	(50,302)
Ordinary income (loss)	(491,579)	270,349	(221,230)
Income (loss) before income taxes	(614,720)	275,386	(339,334)
Net income (loss) attributable to owners of parent	(636,943)	188,246	(448,697)

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

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2020 to March 31, 2021)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(614,720)	275,386	(339,334)
Depreciation and amortization	271,806	436,900	708,706
Decrease (increase) in sales finance receivables	(2,451)	775,994	773,543
Others	268,875	(89,001)	179,874
Net cash provided by (used in) operating activities	(76,490)	1,399,279	1,322,789
II. Cash flows from investing activities			
Proceeds from sales of investment securities	2,951	—	2,951
Proceeds from sales of subsidiaries' shares resulting in changes in the scope of consolidation	8,988	—	8,988
Purchase of fixed assets	(360,435)	(1,942)	(362,377)
Proceeds from sales of fixed assets	33,738	15,798	49,536
Purchase of leased vehicles	—	(819,928)	(819,928)
Proceeds from sales of leased vehicles	—	710,622	710,622
Others	228	40,859	41,087
Net cash provided by (used in) investing activities	(314,530)	(54,591)	(369,121)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(558,490)	(497,317)	(1,055,807)
Net change in long-term borrowings and redemption of bonds	182,691	(1,138,084)	(955,393)
Proceeds from issuance of bonds	1,151,563	282,243	1,433,806
Others	(42,612)	(19,686)	(62,298)
Net cash provided by (used in) financing activities	733,152	(1,372,844)	(639,692)
IV. Effect of exchange rate changes on cash and cash equivalents	59,385	17,549	76,934
V. Increase (decrease) in cash and cash equivalents	401,517	(10,607)	390,910
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	67	68	135
VIII. Cash and cash equivalents at the end of the period	1,896,134	137,892	2,034,026

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥426,202 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 ¥65,352 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales (1) Sales to third parties	1,881,589	3,685,479	921,479	763,852	610,173	7,862,572	—	7,862,572
(2) Inter-segment sales	1,326,418	289,719	173,663	392,747	13,747	2,196,294	(2,196,294)	—
Total	3,208,007	3,975,198	1,095,142	1,156,599	623,920	10,058,866	(2,196,294)	7,862,572
Operating income (loss)	(203,131)	46,338	(30,683)	23,180	1,533	(162,763)	12,112	(150,651)

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2022
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	7,420,892	1,003,693	8,424,585	—	8,424,585
Inter-segment sales or transfers	54,756	28,036	82,792	(82,792)	—
Total	7,475,648	1,031,729	8,507,377	(82,792)	8,424,585
Segment profits (losses)	(155,059)	374,824	219,765	27,542	247,307
Segment assets	8,673,649	8,810,870	17,484,519	(1,113,038)	16,371,481
Other items					
Depreciation and amortization expense	294,065	394,938	689,003	—	689,003
Amortization of goodwill	1,022	—	1,022	—	1,022
Interest expense (Cost of sales)	—	127,755	127,755	(9,510)	118,245
Investment amounts to equity method companies	975,919	11,423	987,342	—	987,342
Increase amounts of fixed assets and intangible fixed assets	361,613	800,448	1,162,061	—	1,162,061

Note 1: Consolidated financial statements by business segments

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 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 consolidated balance sheets by business segments

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2022)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,342,374	89,673	1,432,047
Trade notes and accounts receivable, and contract assets	398,585	3,904	402,489
Sales finance receivables	(109,886)	6,384,636	6,274,750
Inventories	1,350,653	13,828	1,364,481
Other current assets	751,902	90,340	842,242
Total current assets	3,733,628	6,582,381	10,316,009
II. Fixed assets			
Property, plant and equipment, net	2,300,411	2,065,542	4,365,953
Investment securities	1,051,170	3,716	1,054,886
Other fixed assets	469,453	158,783	628,236
Total fixed assets	3,821,034	2,228,041	6,049,075
III. Deferred assets			
Bond issuance costs	5,949	448	6,397
Total deferred assets	5,949	448	6,397
Total assets	7,560,611	8,810,870	16,371,481
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,357,576	38,066	1,395,642
Short-term borrowings	(512,052)	3,471,251	2,959,199
Lease obligations	47,591	804	48,395
Other current liabilities	1,333,223	406,749	1,739,972
Total current liabilities	2,226,338	3,916,870	6,143,208
II. Long-term liabilities			
Bonds	1,312,446	950,890	2,263,336
Long-term borrowings	39,539	1,735,682	1,775,221
Lease obligations	85,433	740	86,173
Other long-term liabilities	545,988	527,971	1,073,959
Total long-term liabilities	1,983,406	3,215,283	5,198,689
Total liabilities	4,209,744	7,132,153	11,341,897
Net assets			
I. Shareholders' equity			
Common stock	381,926	223,888	605,814
Capital surplus	637,081	179,391	816,472
Retained earnings	2,831,929	1,011,550	3,843,479
Treasury stock	(138,061)	—	(138,061)
Total shareholders' equity	3,712,875	1,414,829	5,127,704
II. Accumulated other comprehensive income			
Translation adjustments	(585,339)	72,569	(512,770)
Others	(44,190)	9,857	(34,333)
Total accumulated other comprehensive income	(629,529)	82,426	(547,103)
III. Non-controlling interests	267,521	181,462	448,983
Total net assets	3,350,867	1,678,717	5,029,584
Total liabilities and net assets	7,560,611	8,810,870	16,371,481

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 ¥894,524 million.

(2) Summarized consolidated statement of income by business segments

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2021 to March 31, 2022)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	7,392,856	1,031,729	8,424,585
Cost of sales	6,416,195	654,336	7,070,531
Gross profit	976,661	377,393	1,354,054
Operating income as a percentage of net sales	(1.7)%	36.3%	2.9%
Operating income (loss)	(127,517)	374,824	247,307
Financial income / expenses, net	(35,729)	(263)	(35,992)
Other non-operating income and expenses, net	85,307	9,495	94,802
Ordinary income (loss)	(77,939)	384,056	306,117
Income (loss) before income taxes	(9,728)	393,938	384,210
Net income (loss) attributable to owners of parent	(46,917)	262,450	215,533

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

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2021 to March 31, 2022)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(9,728)	393,938	384,210
Depreciation and amortization	294,065	394,938	689,003
Decrease (increase) in sales finance receivables	1,434	474,904	476,338
Others	(467,954)	(234,410)	(702,364)
Net cash provided by (used in) operating activities	(182,183)	1,029,370	847,187
II. Cash flows from investing activities			
Proceeds from sales of investment securities	169,815	—	169,815
Purchase of fixed assets	(312,293)	(2,909)	(315,202)
Proceeds from sales of fixed assets	40,226	14,413	54,639
Purchase of leased vehicles	—	(808,684)	(808,684)
Proceeds from sales of leased vehicles	—	734,703	734,703
Others	(10,308)	28,202	17,894
Net cash provided by (used in) investing activities	(112,560)	(34,275)	(146,835)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(134,464)	255,087	120,623
Net change in long-term borrowings and redemption of bonds	(198,422)	(1,436,556)	(1,634,978)
Proceeds from issuance of bonds	(13)	478,438	478,425
Others	292,830	(349,545)	(56,715)
Net cash provided by (used in) financing activities	(40,069)	(1,052,576)	(1,092,645)
IV. Effect of exchange rate changes on cash and cash equivalents	133,742	11,291	145,033
V. Increase (decrease) in cash and cash equivalents	(201,070)	(46,190)	(247,260)
VI. Cash and cash equivalents at the beginning of the period	1,896,134	137,892	2,034,026
VII. Increase due to inclusion in consolidation	5,926	—	5,926
VIII. Cash and cash equivalents at the end of the period	1,700,990	91,702	1,792,692

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥41,181 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 ¥35,539 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,785,246	4,021,733	955,548	808,271	853,787	8,424,585	—	8,424,585
(2) Inter-segment sales	1,336,810	323,466	151,723	471,598	12,763	2,296,360	(2,296,360)	—
Total	3,122,056	4,345,199	1,107,271	1,279,869	866,550	10,720,945	(2,296,360)	8,424,585
Operating income (loss)	(229,766)	330,695	(28,395)	94,424	55,681	222,639	24,668	247,307

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Related information

Prior fiscal year (From April 1, 2020 to March 31, 2021)

1. Information by product and service

This information is not provided here because it is the same as the information provided under "Segment information."

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,571,624	3,608,509	2,969,154	1,029,274	951,736	701,429	7,862,572

Notes: 1. Regions represent customers' location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,599,293	2,430,892	1,938,813	116,753	181,717	49,899	4,378,554

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Current fiscal year (From April 1, 2021 to March 31, 2022)

1. Information by product and service

This information is not provided here because it is the same as the information provided under "Segment information."

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,528,568	3,897,556	3,129,321	1,058,842	962,498	977,121	8,424,585

Notes: 1. Regions represent customers' location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,617,677	2,395,520	1,854,017	124,541	171,329	56,886	4,365,953

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Information about the impairment loss on fixed assets by reportable segments

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	9,109	—	9,109	—	9,109

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	16,973	—	16,973	—	16,973

Information about the amortization of goodwill and unamortized balance by reportable segments

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,058	—	1,058	—	1,058
Balance at the end of the year	3,587	—	3,587	—	3,587

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,022	—	1,022	—	1,022
Balance at the end of the year	2,565	—	2,565	—	2,565

Information about the gain recognized on negative goodwill by reportable segments

Prior fiscal year (From April 1, 2020 to March 31, 2021)

This information is not provided due to its low materiality.

Current fiscal year (From April 1, 2021 to March 31, 2022)

Not applicable.

(Information of related parties)

1. Transactions with related parties

Prior fiscal year (From April 1, 2020 to March 31, 2021)

Not applicable.

Current fiscal year (From April 1, 2021 to March 31, 2022)

(Millions of yen)

Type	Name	Business	Percentage of voting right held by Directors and individual major shareholders(%)	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Director	Makoto Uchida	Representative Executive Officer, President and Chief Executive Officer	Directly 0.002%	—	Disposition of Treasury Stock as renumeration in kind (*1)	48	—	—
Director	Ashwani Gupta	Representative Executive Officer, Chief Operating Officer	Directly 0.001%	—	Disposition of Treasury Stock as renumeration in kind (*1)	36	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.002%	—	Disposition of Treasury Stock as renumeration in kind (*1)	19	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.002%	—	Disposition of Treasury Stock as renumeration in kind (*1)	15	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as renumeration in kind (*1)	13	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.002%	—	Disposition of Treasury Stock as renumeration in kind (*1)	13	—	—
Officer equivalent	Tsuyoshi Yamaguchi	Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as renumeration in kind (*1)	10	—	—

(*1) The disposition of the treasury stock is performed as renumeration in kind under the Restricted Stock Unit system.
The stock price for the disposition of the treasury stock is determined based on the ending stock price as of July 27, 2021 (one business day before the resolution made by the Board Meeting for the disposition of the treasury stock) on the Tokyo Stock Exchange.

2. Notes on the parent company and significant affiliates

Condensed financial information of significant affiliates:

Prior fiscal year (From April 1, 2020 to March 31, 2021)

Combined and condensed financial information (from January 1, 2020 to December 31, 2020) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the prior fiscal year, is as follows.

Total current assets	¥11,214,717 million
Total fixed assets	¥6,006,161 million
Total current liabilities	¥10,466,789 million
Total long-term liabilities	¥2,558,178 million
Total net assets	¥4,195,911 million
Net sales	¥8,065,844 million
Income before income taxes	¥(681,064) million
Net income	¥(818,147) million

Current fiscal year (From April 1, 2021 to March 31, 2022)

Combined and condensed financial information (from January 1, 2021 to December 31, 2021) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥11,385,538 million
Total fixed assets	¥6,241,412 million
Total current liabilities	¥10,238,434 million
Total long-term liabilities	¥2,602,541 million
Total net assets	¥4,785,975 million
Net sales	¥8,859,791 million
Income before income taxes	¥442,948 million
Net income	¥275,432 million

(Amounts per share)

(Yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Net assets per share	1,007.80	1,170.17
Basic earnings (loss) per share	(114.67)	55.07
Diluted earnings per share	—	55.07

Notes: 1. For the prior fiscal year, the information on "Diluted earnings per share" is not presented because a net loss per share was recorded although potential dilutive stock existed.

2. As stated in "Changes in accounting policies," the Company adopted ASBJ Statement No. 29, *"Accounting Standard for Revenue Recognition,"* and related guidelines, and applied the transitional treatment stipulated in the said standard.

This change has caused a decrease of ¥1.06 in net assets per share and an increase of ¥1.19 in basic earnings per share for the fiscal year ended March 31, 2022.

3. The basis for calculation of the basic earnings (loss) per share and the diluted earnings per share is as follows.

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Basic earnings (loss) per share: Net income (loss) attributable to owners of parent (Millions of yen)	(448,697)	215,533
Net income (loss) attributable to owners of parent relating to common stock (Millions of yen)	(448,697)	215,533
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,912,895	3,914,068
Diluted earnings per share: Increase in shares of common stock (Thousands of shares)	—	—
(Exercise of share subscription rights (Thousands of shares))	—	—
Securities excluded from the computation of diluted earnings per share because they do not have dilutive effects.	—	—

4. The basis for calculation of the net assets per share is as follows.

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Total net assets (Millions of yen)	4,339,826	5,029,584
Amounts deducted from total net assets (Millions of yen)	395,233	448,983
(Share subscription rights (Millions of yen))	—	—
(Non-controlling interests (Millions of yen))	395,233	448,983
Net assets attributable to shares of common stock at year end (Millions of yen)	3,944,593	4,580,601
The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares)	3,914,065	3,914,463

(Significant subsequent events)

Not applicable.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

Company	Description	Date of Issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
*1	58th unsecured bonds	April 25, 2014	20,000	20,000	0.779	None	March 19, 2024
*1	60th unsecured bonds (Note 2)	April 15, 2016	25,000	(25,000) 25,000	0.22	None	March 20, 2023
*1	61st unsecured bonds	April 15, 2016	20,000	20,000	0.33	None	March 19, 2026
*1	EUR denominated bonds	December 6, 2019	18,048	—	Euribor 3M+0.55	None	December 6, 2021
*1	63rd unsecured bonds	July 22, 2020	29,000	—	1.0	None	December 20, 2021
*1	64th unsecured bonds	July 22, 2020	30,000	30,000	1.4	None	June 20, 2023
*1	65th unsecured bonds	July 22, 2020	11,000	11,000	1.9	None	June 20, 2025
*1	EUR denominated bonds	September 17, 2020	259,600 [EUR 2,000,000 thousand]	273,400 [EUR 2,000,000 thousand]	1.940 – 3.201	None	2023 - 2028
*1	USD denominated bonds	September 17, 2020	879,791 [$ 8,000,000 thousand]	958,047 [$ 8,000,000 thousand]	3.043 – 4.810	None	2023 - 2030
*2	Bonds issued by subsidiaries (Note 2)	2017 - 2021	160,000	(45,000) 220,000	0.070 – 0.580	None	2022 - 2026
*3	Bonds issued by subsidiaries (Note 2)	2017 - 2021	841,227 [$ 7,598,487 thousand]	(313,916) [$ 2,564,888 thousand] 874,900 [$ 7,148,466 thousand]	0.89 – 3.88	None	2022 - 2028
*3	Bonds issued by subsidiaries (Note 2)	November 15, 2019	13,450 [MXN 2,500,000 thousand]	(15,400) [MXN 2,500,000 thousand] 15,400 [MXN 2,500,000 thousand]	4.83 – 6.79	None	November 11, 2022
*3	Bonds issued by subsidiaries	2021	87,780 [CAD 1,000,000 thousand]	97,900 [CAD 1,000,000 thousand]	1.626 – 2.103	None	2024 - 2025
*3	Bonds issued by subsidiaries (Note 2)	2019 - 2021	166,617 [CNY 10,492,252 thousand]	(72,144) [CNY 3,998,685 thousand] 189,149 [CNY 10,490,802 thousand]	3.09 – 3.72	None	2022 - 2024
Total (Note 2)		—	2,561,513	(471,460) 2,734,796	—		—

Notes: 1. *1 The Company *2 Domestic subsidiaries *3 Foreign subsidiaries

2. The amounts in parentheses presented under "Balance at the end of current fiscal year" represent the amounts scheduled to be redeemed within one year.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2022 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
471,460	534,446	214,178	481,645	202,364

Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year	Average interest rate (%)	Maturity
Short-term borrowings	1,016,504	541,645	3.18	—
Nonrecourse short-term borrowings	—	508,391	0.83	—
Current portion of long-term borrowings	786,855	627,168	1.60	—
Current portion of nonrecourse long-term borrowings	934,942	624,830	1.65	—
Commercial papers	6,749	185,705	0.15	—
Current portion of lease obligations	43,542	48,395	1.21	—
Long-term borrowings (excluding current portion)	1,606,633	1,232,788	1.26	April 2023 to August 2039
Nonrecourse long-term borrowings (excluding current portion)	567,044	542,433	1.31	April 2023 to April 2026
Lease obligations (excluding current portion)	75,450	86,173	2.44	April 2023 to August 2057
Total	5,037,719	4,397,528	—	—

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.
2. IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted at foreign subsidiaries and liabilities corresponding to the right-of-use assets which was recognized in line with this adaption were included in Current portion of lease obligations and Lease obligations (excluding current portion) balance.
3. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2022.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	443,265	227,224	466,130	95,702
Nonrecourse long-term borrowings	389,291	115,417	37,388	337
Lease obligations	30,910	12,928	11,199	9,316

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2022 were one hundredth (1%) or less of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2022.

(2) Other

Quarterly financial information for the fiscal year ended March 31, 2022

(Millions of yen)

Cumulative period		1st Quarter (Three months ended June 30, 2021)	2nd Quarter (Six months ended September 30, 2021)	3rd Quarter (Nine months ended December 31, 2021)	4th Quarter (Fiscal year ended March 31, 2022)
Net sales	(Millions of yen)	2,008,247	3,946,997	6,154,031	8,424,585
Income before income taxes	(Millions of yen)	170,539	261,383	327,298	384,210
Net income attributable to owners of parent	(Millions of yen)	114,531	168,646	201,335	215,533
Basic earnings per share	(Yen)	29.26	43.09	51.44	55.07

Each quarter		1st Quarter (From April 1, 2021 to June 30, 2021)	2nd Quarter (From July 1, 2021 to September 30, 2021)	3rd Quarter (From October 1, 2021 to December 31, 2021)	4th Quarter (From January 1, 2022 to March 31, 2022)
Basic earnings per share	(Yen)	29.26	13.83	8.35	3.63

Significant lawsuits, etc. relating to operations and other matters

・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, and in February 2018, the court granted final approval to the proposed settlement. The settlement of $87.9 million has been fully paid off. At present, there are some ongoing lawsuits other than the above.

・Lawsuits related to misstatements in Annual Securities Reports ("Yukashoken-Houkokusho")

As a consequence of misstatements in Annual Securities Reports for each fiscal year in the past, there are some ongoing domestic and foreign lawsuits.

・Litigation for damages related to vehicle distribution agreement dispute

On July 4, 2019, Al Dahana filed a lawsuit against the Company, its consolidated subsidiary, Nissan Middle East FZE and its equity-method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in relation to a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ruled that the Company and Nissan Middle East FZE must pay AED 1,159,777,806.50 plus interest. The Company had filed an appeal against this court judgment. On June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. Al Dahana may file a further appeal to the Dubai Court of Cassation to challenge this decision. The Company maintains that it has fully complied with its contractual obligations and will challenge any appeal to the Dubai Court of Cassation.

2. Non-Consolidated Financial Statements

(1) Non-consolidated financial statements

① Non-consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2021)		Current fiscal year (As of March 31, 2022)
Assets				
Current assets				
Cash on hand and in banks		841,149		247,468
Trade accounts receivable	※1	253,084	※1	229,096
Finished goods		104,259		72,382
Work in process		20,437		32,572
Raw materials and supplies		138,495		222,577
Prepaid expenses		28,181		29,833
Short-term loans receivable from subsidiaries and affiliates		203,057		388,128
Accounts receivable - other	※1	159,079	※1	152,721
Other	※1	38,498	※1	60,087
Allowance for doubtful accounts		(45,404)		(56,364)
Total current assets		1,740,837		1,378,504
Fixed assets				
Property, plant and equipment				
Buildings		218,391		219,607
Structures		27,405		27,600
Machinery and equipment		175,794		209,899
Vehicles		6,875		7,218
Tools, furniture and fixtures		106,142		131,421
Land		126,216		125,594
Construction in progress		57,189		36,133
Total property, plant and equipment		718,015		757,474
Intangible fixed assets		73,697		74,514
Investments and other assets				
Investment securities		197,146		29,728
Investments in subsidiaries and affiliates		2,176,629		2,145,946
Long-term loans receivable from subsidiaries and affiliates		704,384		494,142
Deferred tax assets		46,297		134,012
Other		41,578		54,648
Allowance for doubtful accounts		(264)		(261)
Total investments and other assets		3,165,772		2,858,216
Total fixed assets		3,957,485		3,690,205
Deferred assets				
Bond issuance costs		7,224		5,948
Total deferred assets		7,224		5,948
Total assets		5,705,547		5,074,658

(Millions of yen)

		Prior fiscal year (As of March 31, 2021)		Current fiscal year (As of March 31, 2022)
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	※1	292,986	※1	237,548
Trade accounts payable	※1	471,394	※1	411,590
Short-term borrowings	※1	746,334	※1	355,528
Current portion of long-term borrowings		121,990		95,000
Commercial papers		—		86,000
Current portion of bonds		47,048		25,000
Lease obligations	※1	26,122	※1	31,233
Accounts payable-other	※1	29,299	※1	35,137
Accrued expenses	※1	281,038	※1	317,740
Income taxes payable		385		2,757
Contract liabilities		—		6,778
Advances received		28,052		23,285
Deposits received	※1	66,462	※1	62,569
Accrued warranty costs		17,894		19,768
Other	※1	12,297	※1	6,615
Total current liabilities		2,141,304		1,716,554
Long-term liabilities				
Bonds		1,245,391		1,312,447
Long-term borrowings		141,990		88,000
Long-term borrowings from subsidiaries and affiliates		58,410		20,505
Lease obligations	※1	23,210	※1	36,000
Accrued warranty costs		29,750		34,396
Accrued retirement benefits		75,579		58,312
Provision for loss on business of subsidiaries and affiliates		10,600		555
Other	※1	11,986	※1	10,526
Total long-term liabilities		1,596,920		1,560,743
Total liabilities		3,738,224		3,277,298

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Net assets		
Shareholders' equity		
Common stock	605,813	605,813
Capital surplus		
Legal capital surplus	804,470	804,470
Other capital surplus	184	—
Total capital surplus	804,654	804,470
Retained earnings		
Legal reserve	53,838	53,838
Other retained earnings		
Reserve for reduction of replacement cost of specified properties	53,815	53,615
Reserve for special depreciation	7	5
Unappropriated retained earnings	415,207	300,676
Total retained earnings	522,869	408,136
Treasury stock	(28,756)	(27,539)
Total shareholders' equity	1,904,581	1,790,880
Valuation, translation adjustments and others		
Unrealized holding gain and loss on securities	62,771	2,989
Unrealized gain and loss from hedging instruments	(30)	3,490
Total valuation, translation adjustments and others	62,741	6,479
Total net assets	1,967,322	1,797,360
Total liabilities and net assets	5,705,547	5,074,658

② Non-consolidated statement of income

(Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)		Current fiscal year (From April 1, 2021 to March 31, 2022)	
Net sales	※1	2,489,676	※1	2,409,348
Cost of sales	※1	2,431,651	※1	2,393,792
Gross profit		58,025		15,555
Selling, general and administrative expenses	※1,※2	321,754	※1,※2	360,791
Operating loss		(263,729)		(345,235)
Non-operating income				
Interest income	※1	10,711	※1	20,274
Dividends income	※1	386,760	※1	162,012
Guarantee commission received	※1	18,336	※1	16,421
Derivative gain		5,463		33,410
Reversal of allowance for doubtful accounts		601		4,235
Reversal of provision for loss on business of subsidiaries and affiliates		985		—
Other	※1	1,681	※1	2,015
Total non-operating income		424,539		238,369
Non-operating expenses				
Interest expense	※1	35,780	※1	51,258
Exchange loss		3,845		36,507
Provision for doubtful accounts		15,725		1,795
Other	※1	6,423	※1	12,020
Total non-operating expenses		61,775		101,580
Ordinary income(loss)		99,034		(208,445)
Special gains				
Gain on sales of fixed assets		481		17,460
Gain on sales of shares of subsidiaries and affiliates		—		501
Gain on sales of investment securities		98		78,083
Insurance income		320		—
Other		—		10,183
Total special gains		901		106,228
Special losses				
Loss on sales of fixed assets		59		452
Loss on disposal of fixed assets		7,611		8,809
Impairment loss		942		1,027
Loss on valuation of shares of subsidiaries and affiliates		119,475		28,488
Loss on sales of shares of subsidiaries and affiliates		10,518		1,952
Provision for loss on business of subsidiaries and affiliates		10,600		—
Provision of allowance for doubtful accounts of subsidiaries and affiliates		—		22,318
Other		3,065		6,833
Total special losses		152,274		69,882
Loss before income taxes		(52,338)		(172,099)
Income taxes-current		10,730		4,632
Income taxes-deferred		9,560		(62,344)
Total income taxes		20,290		(57,711)
Net loss		(72,629)		(114,387)

③ Non-consolidated statement of changes in net assets

Prior fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	184	804,654	53,838	54,079	10	487,569	595,498
Changes of items during the period									
Cash dividends paid									—
Provision of reserve for reduction of replacement cost of specified properties									—
Reversal of reserve for reduction of replacement cost of specified properties						(263)		263	—
Provision of reserve for special depreciation									—
Reversal of reserve for special depreciation							(3)	3	—
Net loss								(72,629)	(72,629)
Purchase of treasury stock									
Disposal of treasury stock									
Net changes of items other than those in shareholders' equity									
Total changes of items during the period						(263)	(3)	(72,361)	(72,629)
Balance at the end of current period	605,813	804,470	184	804,654	53,838	53,815	7	415,207	522,869

	Shareholders' equity		Valuation, translation adjustments and others			
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others	Total net assets
Balance at the beginning of current period	(28,754)	1,977,211	(18,601)	—	(18,601)	1,958,610
Changes of items during the period						
Cash dividends paid						—
Provision of reserve for reduction of replacement cost of specified properties						—
Reversal of reserve for reduction of replacement cost of specified properties						—
Provision of reserve for special depreciation						—
Reversal of reserve for special depreciation						—
Net loss		(72,629)				(72,629)
Purchase of treasury stock	(1)	(1)				(1)
Disposal of treasury stock	—	—				—
Net changes of items other than those in shareholders' equity			81,373	(30)	81,343	81,343
Total changes of items during the period	(1)	(72,630)	81,373	(30)	81,343	8,712
Balance at the end of current period	(28,756)	1,904,581	62,771	(30)	62,741	1,967,322

Current fiscal year (From April 1, 2021 to March 31, 2022) (Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	184	804,654	53,838	53,815	7	415,207	522,869
Changes of items during the period									
Cash dividends paid									—
Provision of reserve for reduction of replacement cost of specified properties									—
Reversal of reserve for reduction of replacement cost of specified properties						(199)		199	—
Provision of reserve for special depreciation									—
Reversal of reserve for special depreciation							(3)	3	—
Net loss								(114,387)	(114,387)
Purchases of treasury stock									
Disposal of treasury stock			(184)	(184)				(344)	(344)
Net changes of items other than those in shareholders' equity									
Total changes of items during the period			(184)	(184)		(199)	(2)	(114,530)	(114,732)
Balance at the end of current period	605,813	804,470	—	804,470	53,838	53,615	5	300,676	408,136

	Shareholders' equity		Valuation, translation adjustments and others			
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others	Total net assets
Balance at the beginning of current period	(28,756)	1,904,581	62,771	(30)	62,741	1,967,322
Changes of items during the period						
Cash dividends paid						—
Provision of reserve for reduction of replacement cost of specified properties						—
Reversal of reserve for reduction of replacement cost of specified properties						—
Provision of reserve for special depreciation						—
Reversal of reserve for special depreciation						—
Net Loss		(114,387)				(114,387)
Purchases of treasury stock	(1)	(1)				(1)
Disposal of treasury stock	1,217	688				688
Net changes of items other than those in shareholders' equity			(59,782)	3,520	(56,261)	(56,261)
Total changes of items during the period	1,216	(113,701)	(59,782)	3,520	(56,261)	(169,962)
Balance at the end of current period	(27,539)	1,790,880	2,989	3,490	6,479	1,797,360

[Notes to Non-consolidated Financial Statements]
(Significant accounting policies)

1. Valuation methods for securities
   (1) Held-to-maturity securities
   Held-to-maturity securities are stated at amortized cost (straight-line method).
   (2) Equity securities issued by subsidiaries and affiliates
   Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.
   (3) Other securities
   ①Marketable securities:
   Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Cost of securities sold is calculated by the moving average method.
   ②Non-marketable securities:
   Non-marketable securities classified as other securities are carried at cost determined by the moving average method.
   Investments in limited liability partnerships and similar investments, defined as securities by Article 2, Section 2 of the Financial Instruments and Exchange Act, are recognized at the net amount corresponding to the owning portion under the equity method based on the latest available financial statements of the partnerships.

2. Valuation methods for derivative financial instruments
   Derivative financial instruments are carried at fair value.

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

4. Depreciation and amortization of fixed assets
   (1) Property, plant and equipment
   Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives and the estimated residual value determined by the Company.
   (2) Intangible fixed assets
   Amortization of intangible fixed assets is calculated by the straight-line method.
   Amortization of software for internal use is calculated by the straight-line method over the estimated useful life (5 years).
   (3) Leased assets
   Depreciation of leased assets is calculated by the straight-line method based on either the estimated useful lives or the lease terms and the estimated residual value determined by the Company.

5. Foreign currency translation
   Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are recognized as gain or loss.

6. Basis for reserves
   (1) Allowance for doubtful accounts
   Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.
   (2) Accrued warranty costs
   Accrued warranty costs are provided to cover the cost of all services anticipated to be incurred during the entire warranty period in accordance with the warranty contracts and based on past experience.
   (3) Accrued retirement benefits
   Accrued retirement benefits or prepaid pension costs are recorded at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year.
   For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.
   Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
   Actuarial gain and loss are amortized from the year following the year in which the gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
   (4) Provision for loss on business of subsidiaries and affiliates
   Provision for loss on business of subsidiaries and affiliates is recorded in consideration of the financial condition of affiliated companies.

7. Reporting of significant revenues and expenses

The Company's revenues are primarily from the sale of vehicles and parts. In addition, the Company recognizes royalty income from trademarks and technical know-how licensed to others for the manufacture and sale of products.

The Company generally recognizes revenue from the sale of vehicles and parts when the products are delivered based on terms agreed upon in contracts with customers. This is when legal title and the risk and rewards of ownership are transferred allowing the customer to dispose of the goods and the Company to request payment from the customer and is deemed to be the point at which control of the goods is transferred to the customer.

For domestic sales, vehicle sales are recognized when the vehicles are delivered to the destination agreed between the customers. Parts sales are recognized when the parts are shipped from the Company based on the application of alternative treatment allowed under paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition.

The Company provides incentives primarily to dealers calculated based on the total number of vehicles sold or the number of specific models sold by dealers during a specified period. The Company accrues these incentives as revenue reductions upon the sale of a vehicle using the most likely amount method.

For export sales, revenues are primarily recognized when goods are loaded on the vessel.

Royalty income is primarily recognized based on the amount of the licensee's (majorly Company's subsidiaries and affiliates) revenue and at the time their revenue is recognized.

Revenue is measured based on the transaction price specified in contracts with customers, excluding the amounts collected on behalf of third parties such as tax authorities.

Payments for products received from customers are collected in accordance with the terms and conditions of the relevant sales agreements and the amount of financing component included in the payment is not material.

In addition, product sales contracts with customers include warranty clauses to cover free replacement or repair needed to correct defects in materials or workmanship of all parts and components and the Group recognizes provisions for product warranties to meet these guarantees. The provision is stated in the notes Significant Accounting Policies 6. Basis for reserves (2) Accrued warranty costs.

8. Hedge accounting

(1) Hedge accounting

In principle, deferred hedge accounting is applied for derivative instruments.

If qualifies for specific conditions under J-GAAP, the following exceptional hedge treatments can be applied.

· Hedged items for foreign currency denominated transactions can be booked directly using the forward contract rate, except for accounts receivables to which deferred hedge accounting is applied.

· For interest rate swap, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation.

(2) Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

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

(3) Hedging policy

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

(4) Assessment of hedge effectiveness

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

9. Other significant accounting policies

(1) Accounting for retirement benefit

The accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost are different from those of the consolidated financial statements.

(2) Adoption of consolidated taxation system

The Company adopts the consolidated taxation system.

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

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

(Significant accounting estimates)

1. Impairment loss on fixed assets

(1) Amount recorded in the Non-consolidated financial statements for the current fiscal year

For the idol assets and the assets determined to be disposed, impairment loss of ¥1,027 million was recorded in the Non-consolidated statement of income for the current fiscal year.

(2) Details of significant accounting estimates related to the identified items

Specific estimates are referred to the description provided in the section of 1. Impairment loss on fixed assets under "Significant accounting estimates" of the consolidated Financial Statements. Of fixed assets, property, plant and equipment and intangible fixed assets recorded in the Non-consolidated Financial Statements for the current fiscal year is ¥831,989 million. As a result of determining whether to recognize impairment, the Company judged that recognition of additional impairment losses on business-use assets is unnecessary.

2. Deferred tax assets

(1) Amount recorded in the Non-consolidated financial statements for the current fiscal year (Ending balance)

The net amount of deferred tax assets in the Non-consolidated balance sheet for the current fiscal year is ¥134,012 million. The amounts of deferred tax assets and valuation allowances before offsetting are stated in the notes (For tax-effect accounting).

(2) Details of significant accounting estimates related to the identified items

Specific estimates are referred to the description provided in the section of 2. Deferred tax assets under "Significant accounting estimates" of the Consolidated Financial Statements.

3. Expenses for market measures including recalls

(1) Amount recorded in the Non-consolidated financial statements for the current fiscal year

The amount of service costs recorded in the Non-consolidated statements of income for the current fiscal year is ¥36,674 million.

(2) Details of significant accounting estimates related to the identified items

Specific estimates are referred to the description provided in the section of 5. Expenses for market measures including recalls under "Significant accounting estimates" of the Consolidated Financial Statements.

(Changes in accounting policies)

(1) Accounting Standards Board of Japan (ASBJ) Statement No. 29 *"Accounting Standard for Revenue Recognition"*

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020. Hereinafter the "Revenue Recognition Standard") and related guidelines have been adopted from the beginning of the fiscal year ended March 31, 2022. In line with this adoption, revenue is recognized upon the transfer of control of the promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

In adopting the Revenue Recognition Standard, in accordance with the transitional treatment set forth in the proviso of Article 84 of the Revenue Recognition Standard, the cumulative impact of retrospective application of the standards prior to the beginning of the fiscal year was added to or subtracted from retained earnings at the beginning of the current fiscal year ended March 31, 2022. However, no impact was recognized to the beginning balance due to this transition.

Further, there is no effects on per share information.

As a result of the adoption of the Revenue Recognition Standard, of the amounts presented as "Advance received" in the prior fiscal year, the amount derived from contract with customers are presented as "Contract liabilities" in the current fiscal year.

In accordance with the transitional treatment set forth in Paragraph 89-2 of the Revenue Recognition Standard, financial statements for past periods have not been reclassified using the new presentation method. Also, footnotes about the (Revenue Recognition) for the prior fiscal year has not been presented in accordance with the transitional treatment set forth in Paragraph 89-3 of the Revenue Recognition Standard.

(2) Accounting Standards Board of Japan (ASBJ) Statement No. 30 *"Accounting Standard for Fair Value Measurement"*

"Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and other standards have been adopted from the beginning of the fiscal year ended March 31, 2022, and in accordance with the transitional treatment set forth in Article 19 of *"Accounting Standard for Fair Value Measurement"* and Article 44-2 of *"Accounting Standard for Financial Instruments"* (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by *"Accounting Standard for Fair Value Measurement"* and other standards into the future. The impacts of this adoption on the Non-consolidated financial statements are nil.

(Changes in presentation)

Not applicable.

(Additional information)

(1) Litigation for damages related to vehicle distribution agreement dispute

On July 4, 2019, Al Dahana filed a lawsuit against the Company, its consolidated subsidiary, Nissan Middle East FZE and its equity-method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in relation to a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ruled that the Company and Nissan Middle East FZE must pay AED 1,159,777,806.50 plus interest.

Although the Company maintains that it has fully complied with its contractual obligations and had filed an appeal against this court judgment, the Company had recorded the amount of judgment plus interest totaling ¥38,758 million under "Selling, general and administrative expenses" considering the ruling at the time of this court judgment.

On June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. Al Dahana may file a further appeal to the Dubai Court of Cassation to challenge this decision, and the Company will challenge any appeal to the Dubai Court of Cassation. Considering the ongoing dispute, the above accounting treatment has not been changed.

(2) The impact of the geopolitical issues surrounding Russia and Ukraine

The Company assumes that the impact of the geopolitical issues surrounding Russia and Ukraine will continue for a certain period of time. Based on our best estimate, the Company recorded the expenses related to Russia and Ukraine businesses mainly in Provision of allowance for doubtful accounts of subsidiaries and affiliates for the fiscal year ended March 31, 2022.

However, there are many uncertainties over the impact of the geopolitical issues surrounding Russia and Ukraine, which may have a material impact on the Company's financial position and operating results for the fiscal year ended March 31, 2023 and thereafter.

(For non-consolidated balance sheets)

1 ※1 Monetary receivables from and payables to subsidiaries and affiliates (except for separately disclosed)

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Short-term monetary receivables	337,982	322,581
Short-term monetary payables	833,038	684,796
Long-term monetary payables	8,727	7,899

2 Guarantees and others

Prior fiscal year (As of March 31, 2021)

(1) Guarantees

(Millions of yen)

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
NISSAN MOTOR MANUFACTURING (UK) LIMITED	95,950	Guarantees for loans to invest in plant facilities
Nissan Canada, Inc.	40,000	Guarantees for loans for sales financing
Nissan (South Africa) Proprietary Limited	363	Guarantees for loans for working capital
Employees	* 18,034	Guarantees for employees' housing loans
Total	154,347	*Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

(Millions of yen)

Guarantees	Balance of commitments to provide guarantees	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	15	Commitments to provide guarantees for loans

(3) Keepwell Agreements

The Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2021 were as follows.

(Millions of yen)

Company name	Balance of liabilities
Nissan Motor Acceptance Corporation	3,186,295
NISSAN FINANCIAL SERVICES CO. , LTD.	558,000
Nissan Canada, Inc.	372,771
Nissan Financial Services Australia Pty Ltd	315,928
Nissan Leasing (Thailand) Co., Ltd.	94,250
Nissan Financial Services New Zealand Pty Ltd	23,600
Total	4,550,846

Current fiscal year (As of March 31, 2022)

(1) Guarantees

(Millions of yen)

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Nissan Motor Acceptance Company LLC	150,000	Guarantees for loans for sales financing
NISSAN MOTOR MANUFACTURING (UK) LIMITED	100,926	Guarantees for loans to invest in plant facilities
Nissan Canada, Inc.	40,000	Guarantees for loans for sales financing
Nissan (South Africa) Proprietary Limited	190	Guarantees for loans for working capital
Employees	* 14,853	Guarantees for employees' housing loans
Total	305,970	*Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

(Millions of yen)

Guarantees	Balance of commitments to provide guarantees	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	6	Commitments to provide guarantees for loans

(3) Keepwell Agreements

The Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2022 were as follows.

(Millions of yen)

Company name	Balance of liabilities
Nissan Motor Acceptance Company LLC	2,962,710
NISSAN FINANCIAL SERVICES CO.　,　LTD.	602,000
Nissan Financial Services Australia Pty Ltd	350,528
Nissan Canada, Inc.	325,676
Nissan Leasing (Thailand) Co., Ltd.	78,652
Nissan Financial Services New Zealand Pty Ltd	24,319
Total	4,343,886

Nissan Motor Acceptance Company LLC guarantee amount includes ¥150,000 million of guarantee and Nissan Canada, Inc. guarantee amount includes ¥40,000 million of guarantee.

3　Contingent liabilities

Lawsuits related to misstatements in Annual Securities Reports ("Yukashoken-Houkokusho")

As a consequence of misstatements in Annual Securities Reports for each fiscal year in the past, there are some ongoing lawsuits. The Company's business performance might be affected depending on future developments and other circumstances.

(For non-consolidated statement of income)

1 ※1 Transactions with subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Operating transactions:		
Sales	1,986,609	1,950,954
Operating expenses	1,068,379	1,056,205
Non-operating transactions	454,917	217,139

2 ※2 Major components of selling, general and administrative expenses are as follows. (Millions of yen)

	Prior fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Service costs	60,136	52,803
Provision for accrued warranty costs	12,380	23,596
Other selling expenses	36,148	33,346
Salaries and wages	85,336	82,231
Retirement benefit expenses	3,034	(3,798)
Outsourcing expenses	36,433	38,276
Depreciation and amortization	23,196	24,952
Provision for doubtful accounts	(256)	(88)
Vehicle distribution agreement related dispute expense	—	38,758

Selling expenses account for approximately 40% of the selling, general and administrative expenses in the current fiscal year, which is almost unchanged from the prior fiscal year.

(For securities)

Investments in subsidiaries and affiliates

Prior fiscal year (As of March 31, 2021)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	184,278	170,169
② Affiliates' shares	237,361	159,585	(77,776)
Total	251,471	343,864	92,393

Note: The amounts of investments in subsidiaries and affiliates recorded in the non-consolidated balance sheets for which it is deemed difficult to measure the fair value.

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)
① Subsidiaries' shares	1,905,191
② Affiliates' shares	19,967

These shares are not included in above "Investments in subsidiaries and affiliates" because they do not have a market value and their fair value is not easily determinable.

Current fiscal year (As of March 31, 2022)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	166,222	152,113
② Affiliates' shares	237,361	167,691	(69,670)
Total	251,471	333,914	82,443

Note: The amount of shares in the non-consolidated balance sheets not included in above because they do not have a market value.

(Millions of yen)

	Current fiscal year (As of March 31, 2022)
① Subsidiaries' shares	1,871,912
② Affiliates' shares	22,562

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Deferred tax assets:		
Loss on valuation of securities	171,895	180,505
Research and development expenses	84,034	106,261
Net operating loss carry forwards	69,619	86,567
Carry forward foreign tax credits	35,383	78,242
Accrued expenses	44,205	49,001
Accrued retirement benefits	28,329	22,559
Allowance for doubtful accounts	13,900	17,251
Accrued warranty costs	14,570	16,563
Other	38,528	50,491
Total gross deferred tax assets	500,467	607,443
Valuation allowance for net operating loss carry forwards	(69,619)	(65,314)
Valuation allowance for the sum of deductible temporary differences, etc.	(332,589)	(373,156)
Total valuation allowance	(402,209)	(438,471)
Total deferred tax assets	98,257	168,972
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law	(23,710)	(23,620)
Other	(28,250)	(11,339)
Total deferred tax liabilities	(51,960)	(34,960)
Net deferred tax assets	46,297	134,012

(Changes in Presentation)

“Allowance for doubtful accounts” included in prior fiscal year’s deferred tax assets’ “Other” is presented separately due to its increased materiality in current fiscal year. In addition, “Unrealized holding gain on securities” presented separately in prior fiscal year’s deferred tax liabilities is included in “Other” due to its decreased materiality in current fiscal year. Prior fiscal year presentation is reclassified to reflect these changes.

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

This information is not provided due to the recording of a loss before income taxes for the prior fiscal year and the current fiscal year.

(Revenue recognition)

For basic information to understand revenue recognition, refer to Notes to Non-Consolidated Financial Statements, Significant Accounting Policies 7. Reporting of significant revenues and expenses .

(Significant subsequent events)

Not applicable.

④ Non-consolidated supplemental schedules

Detailed schedule of fixed assets

(Millions of yen)

Category	Type of assets	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Depreciation or amortization for the current fiscal year	Balance at the end of the current fiscal year	Accumulated depreciation or amortization
Property, plant and equipment	Buildings	218,391	13,372	2,006 (955)	10,149	219,607	328,149
	Structures	27,405	2,084	257 (9)	1,631	27,600	83,455
	Machinery and equipment	175,794	66,352	1,553 (0)	30,693	209,899	763,490
	Vehicles	6,875	3,580	711	2,526	7,218	21,173
	Tools, furniture and fixtures	106,142	65,326	5,461 (1)	34,586	131,421	241,930
	Land	126,216	—	622	—	125,594	—
	Construction in progress	57,189	43,306	64,362	—	36,133	—
	Total	718,015	194,021	74,974 (965)	79,587	757,474	1,438,199
Intangible fixed assets		73,697	25,760	4,159 (61)	20,783	74,514	200,564

Notes: 1. The figures in parentheses in the "Decrease in the current fiscal year" column represent the amounts of impairment loss included.
2. Details of major increases in the current fiscal year are as follows:

Machinery and equipment
- Transport equipment ¥19,100 million
- Machine tool equipment ¥16,653 million

Tools, furniture and fixtures
- Leased assets ¥48,999 million
- Molding tools ¥7,271 million
- Testing and measuring equipment ¥3,806 million

Detailed schedule of allowances

(Millions of yen)

Account	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Balance at the end of the current fiscal year
Allowance for doubtful accounts	45,669	24,113	13,157	56,625
Accrued warranty costs	47,644	26,111	19,591	54,164
Provision for loss on business of subsidiaries and affiliates	10,600	—	10,045	555

(2) Details of major assets and liabilities

This information is omitted because the Company prepares consolidated financial statements.

(3) Other

Not applicable.

6. Information on Transfer and Repurchase of the Company's Stock

Fiscal year	From April 1 To March 31
General meeting of shareholders	June
Record date for dividend	March 31
Record dates for dividend of surplus	September 30 and March 31
Number of shares per unit of the Company's stock	100 shares
Repurchase of stocks of less than a standard unit	
Address where repurchases are processed	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited.
Administrator of shareholders' register	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited.
Offices available for repurchase	—
Charges for repurchase	Handling charges as set by the securities companies designated by the Company for the repurchase plus the related consumption tax
Method of public notice	Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the *Nihon Keizai Shimbun.* The electronic public notice is presented on the Company's Web site at https://www.nissan-global.com/EN/IR/
Special benefits to shareholders	None

Note: According to the Company's Articles of Incorporation where the rights of shareholders holding stocks of less than a standard unit are prescribed, the holder of stocks of less than a standard unit shall not be entitled to exercise the rights of shareholders in connection with such below-unit shares other than those rights listed below:

(1) The rights stipulated in each item of Article 189, Paragraph 2, of the Companies Act;
(2) The right to make a claim in accordance with Article 166, Paragraph 1, of the Companies Act; and
(3) The right to subscribe for new shares or new share subscription rights in proportion to the number of the shares owned by said shareholder.

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7. Reference Information on the Company

1. Information on the parent company or equivalent of the Company

The Company has no parent company or equivalent as prescribed in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

The Company filed the following documents between the beginning of the fiscal year ended March 31, 2022 and the date when this Securities Report *(Yukashoken-Hokokusho)* was filed.

(1)	Securities Report and Accompanying Documents and Confirmation Note	Fiscal Year (the 122nd)	From April 1, 2020 To March 31, 2021	Submitted to the director of the Kanto Local Finance Bureau on June 29, 2021.
(2)	Internal Control Report	Fiscal Year (the 122nd)	From April 1, 2020 To March 31, 2021	Submitted to the director of the Kanto Local Finance Bureau on June 29, 2021.
(3)	Quarterly Securities Reports and Confirmation Notes	(The 1st quarter of 123rd period)	From April 1, 2021 To June 30, 2021	Submitted to the director of the Kanto Local Finance Bureau on July 30, 2021.
		(The 2nd quarter of 123rd period)	From July 1, 2021 To September 30, 2021	Submitted to the director of the Kanto Local Finance Bureau on November 11, 2021.
		(The 3rd quarter of 123rd period)	From October 1, 2021 To December 31, 2021	Submitted to the director of the Kanto Local Finance Bureau on February 10, 2022.
(4)	Extraordinary Reports An extraordinary report according to the provision of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 (Matters that require a resolution of a general meeting of shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022.
(5)	Shelf Registration Statement (Shares) and Accompanying Documents FY2020 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022.
	Shelf Registration Statement (Shares) and Accompanying Documents FY2021 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 23, 2021.
	Shelf Registration Statement (Shares) and Accompanying Documents FY2022 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022.
	Shelf Registration Statement (Bonds) and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on May 13, 2022.
(6)	Shelf Registration Supplements (Shares) and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on August 2, 2021.
(7)	Amended Shelf Registration Statements (Shares)			Submitted to the director of the Kanto Local Finance Bureau on May 12, 2021, June 23, 2021, and June 29, 2022.
	Amended Shelf Registration Statements (Bonds)			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022.

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)

Independent Auditor's Report

June 29, 2022

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 Masanori Enomoto

Designated and Engagement Partner
Certified Public Accountant Takayuki Ando

Designated and Engagement Partner
Certified Public Accountant Masao Yamamoto

<Financial statements audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the "Group") included in "Financial Information" for the fiscal year from April 1, 2021 to March 31, 2022, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in net assets, and cash flows, significant accounting policies, other related notes, and the consolidated supplemental schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets of automobile business</td></tr>
<tr><td>Description of Key Audit Matter</td><td>Auditor’s Response</td></tr>
<tr><td>The Company records 4,365,953 million yen of “Property, plant and equipment” and 119,187 million yen of “Intangible fixed assets” in the consolidated balance sheet as of March 31, 2022. These include balances from both automobile business and sales finance business. As described in “(For consolidated statement of income) 6 ※6 Impairment loss”, the Company recognized impairment loss (11,580 million yen) for a portion of the asset group of Europe region in the current fiscal year. As a result, business-use assets related to automobile business was 2,452,478 million yen as of the current fiscal year end, which accounts for 15.0% of total assets.

As described in “(Significant accounting estimates) 1. Impairment loss on fixed assets”, the Company groups assets based on business segments (automobile and sales financing) and regional classification which are mutually complementary with each other and consider if there are impairment indicators based on these classifications.

The automotive industry saw an adverse impact from semiconductor shortage and increased raw material prices, and as of the current fiscal year end, a portion of the automobile business asset group in which impairment was not recognized was considered to have indication of impairment due to recording consecutive operating losses. However, impairment was not recognized for these asset groups since the sum of undiscounted future cash flows exceeded the book value of assets.</td><td>Primary procedures we performed to address this key audit matter included the following.

- We compared the period of estimated future cash flows against the economical useful lives of primary assets.

- We assessed the consistency between future cash flows and the business plan approved by Management meeting.

- We performed a look back analysis on the business plan from prior periods against actual results as a risk assessment procedure of how the Company’s estimation process of business plan will impact the estimated future cash flow.

- In relation to market share conditions, profit margins and market growth rates, which are key assumptions used in the estimated future cash flows, we discussed with management and understood the applied assumptions. In relation to market share conditions and profit margins, we compared them against past results and expected market share conditions and profit margins which reflect the future plans of new model launches in the business plan. For market growth rates, we compared them against actual sales results by region in the automotive market and available external data which include automotive market total demand forecasts.

- In relation to net realizable value of land and other assets, we compared the Company’s estimate against market price and other available external data.

- We performed sensitivity analysis of estimated future cash flows in order to assess the impact on impairment recognition.

- We recalculated the estimate using the Company’s model.</td></tr>
</table>

Estimated future cash flows are used to determine recognition of impairment, which is based on the Company's business plan that has been approved by the Management meeting. Fluctuation in market share conditions, profit margins and market growth rates will significantly impact the estimated future cash flows, therefore, these are considered as key assumptions in the accounting estimate. Company considered the impact of changes in future business environment and market conditions such as increase in COVID-19 cases, semiconductor shortage, and geopolitical issues surrounding Russia and Ukraine. Net realizable value of land and other assets at the time of the end of economical useful lives of primary assets are estimated based on real estate appraisal value and other index which appropriately reflect the market value. A high degree of auditor judgement is required to evaluate the Company's key assumptions used in the estimation of future cash flows as it involves uncertainty and significant management judgement. In addition, if recognition of impairment of fixed assets is necessary, it may significantly impact the Company's consolidated financial statements. As such, we identified "Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets of automobile business" as a key audit matter.	

Valuation of recoverability of deferred tax assets of Nissan Motor Co., Ltd.	
Description of Key Audit Matter	Auditor's Response
The Company records 156,553 million yen of "Deferred tax assets" (net after offsetting deferred tax liabilities) in the consolidated balance sheet as of March 31, 2022.	Primary procedures we performed to address this key audit matter included the following. - We involved tax specialists to assess the balance of temporary tax differences and losses carried forward including scheduling.

As described in "(Significant accounting estimates) 2. Deferred tax assets", the Company assesses the recoverability of deferred tax assets of future deductible temporary differences and losses carried forward, by taking into account the reversal of future taxable temporary differences and feasible tax planning strategies and by reasonably estimating future taxable income. The deferred tax assets recorded in the consolidated balance sheet (156,553 million yen) include 134,012 million yen recorded by Nissan Motor Co., Ltd. in the non-consolidated financial statements. As described in "2. Non-Consolidated Financial Statements (For tax-effect accounting)", deferred tax assets balance before offsetting deferred tax liabilities of Nissan Motor Co., Ltd. was 168,972 million yen. Estimated future taxable income of Nissan Motor Co., Ltd. is based on the business plan of the next fiscal year that has been approved by the Management meeting. The business plan includes not only domestic sales but sales to overseas subsidiaries and affiliates, and fluctuation in demand forecasts, market share conditions and profit margins will significantly impact the estimated future taxable income, therefore, these are considered as key assumptions in the accounting estimate. In addition, the estimated future taxable income is impacted by permanent and temporary differences that are expected to incur next fiscal year. The automotive industry saw an adverse impact from semiconductor shortage and increased raw material prices, and a high degree of auditor judgement is required to evaluate the Company's key assumptions used in the estimation of future taxable income as it involves uncertainty and significant management judgement. As such, we identified "Valuation of recoverability of deferred tax assets of Nissan Motor Co., Ltd." as a key audit matter.	- We performed a look back analysis on the business plan from prior periods against actual results as a risk assessment procedure of how the Company's estimation process of business plan will impact the estimated future taxable income. - In relation to demand forecasts, market share conditions and profit margins, which are key assumptions used in the business plan of next fiscal year, we discussed with management and understood the applied assumptions, compared them against past results. For demand forecasts and market share conditions, we compared them against available external data which include automotive market total demand forecasts. - In relation to permanent and temporary differences that are expected to incur next fiscal year which were considered when estimating the future taxable income, we discussed with management about the nature and compared them against past results. - We performed sensitivity analysis of estimated future taxable income in order to assess the impact on recoverability of deferred tax assets. - We recalculated the estimate using the Company's model.

Valuation of expense for recalls and other market measures	
Description of Key Audit Matter	Auditor's Response
As described in "(Significant accounting estimates) 5. Expenses for market measures such as recalls", the Company records 72,184 million yen of "Service costs" in the consolidated statement of income of the current fiscal year. Automobile manufacturers are responsible for filing recall and other market measures to authorities and to collect and repair vehicles which do not meet safety and environmental standards due to defect of the company's design and manufacturing process. The Company and its subsidiaries record amount of estimated expense as "Accrued expense" when market measures based on notifications to government authorities are deemed to be necessary, which is apart from warranty costs. A large-scale recall may significantly impact the Company's consolidated financial statements. Estimated market measure expense is composed of number of applicable vehicles in the market, expected implementation rates of market measures, and cost of market measures per unit. Out of these factors, the expected implementation rate of market measures significantly impacts the estimated market measure expense, therefore, it is considered a key assumption in the accounting estimate. A high degree of auditor judgement is required to evaluate the key assumptions as it involves uncertainty and significant management judgement. In addition, in order to completely reflect to the consolidated financial statements any market measure decisions made after fiscal year end, it is necessary to understand the existence of items which need to be accrued and evaluate the impact in a timely manner. As such, we identified the "Valuation of expense for recalls and other market measures" as a key audit matter.	Primary procedures we performed to address this key audit matter included the following. - We performed a look back analysis on the estimates used in prior periods against actual results as a risk assessment procedure of the market measure estimate process. - We inquired related departments and inspected meeting minutes to assess the completeness of market measure items and to understand the key assumptions included in the estimated expense. - We evaluated the consistency between number of applicable vehicles in the market used in the estimate with available data such as the Company's sales data, filed documents to authorities and published press release. - In relation to expected implementation rate of market measures which is a key assumption and cost of market measures per unit used in the estimate of market measure expense, we compared them against supporting documents and those of similar cases and past results. - We recalculated the estimate using the Company's model. - We considered any market measure decisions made after fiscal year end but before the issuance of consolidated financial statements to evaluate the completeness and accuracy of market measure expense. - We instructed auditors of the main consolidated subsidiaries to perform audit procedures around estimation of market measure expense such as recall and received reports of the audit results. We evaluated whether adequate audit evidence was obtained.

Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committeewith a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal control audit>

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2022 of Nissan Motor Co., Ltd. ("Management's Report").

In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2022 of Nissan Motor Co., Ltd. is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and the Audit Committee's Responsibilities for Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibilities for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.

・Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.

・Obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and performance of the audit of Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 original copy of the above Independent Auditor's Report is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

(For Translation Purposes Only)

Independent Auditor's Report

June 29, 2022

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	Masanori Enomoto
Designated and Engagement Partner Certified Public Accountant	Takayuki Ando
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying non-consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") included in "Financial Information" for the 123rd fiscal year from April 1, 2021 to March 31, 2022, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in net assets, significant accounting policies, other related notes, and the non-consolidated supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2022, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets
The Company records 757,474 million yen of “Property, plant and equipment” and 74,514 million yen of “Intangible fixed assets” in the non-consolidated balance sheet as of March 31, 2022. These assets are related to the automobile business. We refer to the independent auditor’s report of the consolidated financial statements for the description of the key audit matter and auditor’s response as the description is identical.

Valuation of recoverability of deferred tax assets
The Company records 134,012 million yen of “Deferred tax assets” (net after offsetting deferred tax liabilities) in the non-consolidated balance sheet as of March 31, 2022. As described in “(For tax-effect accounting)”, deferred tax assets balance before offsetting deferred tax liabilities was 168,972 million yen. We refer to the independent auditor’s report of the consolidated financial statements for the description of the key audit matter and auditor’s response as the description is identical.

Valuation of expense for recalls and other market measures
As described in “(Significant accounting estimates) 3. Expenses for market measures including recalls”, the Company records 36,674 million yen of service costs in the non-consolidated statement of income for this fiscal year. We refer to the independent auditor’s report of the consolidated financial statements for the description of the key audit matter and auditor’s response as the description is identical.

Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the entity’s reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・ Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・ Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.

・ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

・ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

・ Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committeewith a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes:
1. The original copy of the above Independent Auditor’s Report is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

【Cover】

【Document Submitted】	Internal Control Report ("Naibutousei-Houkokusho")
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-4, Paragraph 1, of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 30, 2022
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Basic Framework of Internal Control Over Financial Reporting

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd. (the "Company") and Stephen Ma, Executive Officer, Chief Financial Officer have responsibility to design and operate internal controls over the Company's financial reporting, and fulfill that responsibility in accordance with the basic framework set forth in "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

Internal control aims to ensure, to a reasonable extent, that all material individual components of internal control are integrated and function properly as a whole. Thus, internal control over financial reporting may not be able to completely prevent or detect financial reporting misstatements.

2. Scope of Assessment, Assessment Date and Assessment Procedure

An assessment of internal control over financial reporting was performed as of March 31, 2022 (i.e. the last day of the current fiscal year) in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, Management first assessed company-level controls. Company-level controls (CLC) are controls that would have a material impact on the reliability of overall financial reporting on a consolidated basis, and consists of control environment, risk assessment and response, control activities, information and communication, monitoring, and IT Strategy. CLC was assessed by testing and evaluating each CLC element. This includes an assessment on the supervisory effectiveness of the Board of Directors (BOD) such as the operation of the Nomination Committee, the Audit Committee, and the Remuneration Committee as part of the Three-Party Committee system. Based on CLC results, Management then selected individual business processes to be assessed, as part of Process Level Control (PLC) testing. For these processes, Management assessed internal control effectiveness by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of key controls.

Management determined the scope for the internal control over financial reporting assessment by assessing the Company itself, consolidated subsidiaries, and companies accounted for by the equity method based on relative impact (materiality) to financial reporting. The materiality assessment was performed both quantitatively and qualitatively. Management reasonably determined the process-level control assessment scope based on the result of the company-level control assessment.

To specifically determine the PLC assessment scope, certain entities were assessed as "Significant Business Locations." These entities comprised approximately two-thirds of the Company's previous fiscal year aggregated net sales (after intercompany eliminations) and were chosen in descending order (starting with the highest impact). For these entities, all business processes impacting Company business objectives (i.e. sales, accounts receivable, and inventory) were included in the assessment scope.

Additionally, even if an entity was not considered a Significant Business Location, certain business processes related to significant accounts involving estimates and management judgment, or related to high-risk transactions were added to the assessment scope as a "business process with a material impact on financial reporting."

3. Assessment Result

Based on the assessment results, Management concluded internal control over financial reporting at the end of the current fiscal year was effective.

4. Supplementary Information

Not applicable

5. Special Affairs

Not applicable

【Cover】

【Document Submitted】	Confirmation Note
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-2, Paragraph 1, of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 30, 2022
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Accuracy of the Descriptions in This Securities Report

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd., and Stephen Ma, Executive Officer, Chief Financial Officer have confirmed that this Securities Report "Yukashoken-Houkokusho (from April 1, 2021 to March 31, 2022) " of the 123rd 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 securities report.