ANNUAL REPORT 2015

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NISSAN MOTOR CORPORATION

NISSAN DATSUN

CONTENTS

This annual report presents the results of Nissan Motor Corporation's business activities for fiscal 2014. It also provides an opportunity for investors to deepen their understanding of the Nissan management team. President and CEO Carlos Ghosn and CFO Joseph Peter share their vision of Nissan's philosophy and the direction the company is heading today.

Cover photo: TITAN

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  website

- This annual report contains forward-looking statements on Nissan's plans and targets, and related operating investment, product planning and production targets. Please note that there can be no assurance that these targets and plans will actually be achieved. Achieving them will depend on many factors, including Nissan's activities and development as well as the dynamics of the automobile industry worldwide and the global economy.

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VISION

Nissan: Enriching People's Lives

Nissan has a clear vision for the future, and – with our Alliance partner, Renault – we are working with passion to achieve it. Our mission is to enrich people's lives, building trust with our employees, customers, dealers, partners, shareholders and the world at large.

MISSION

Nissan provides unique and innovative automotive products and services that deliver superior measurable values to all stakeholders* in alliance with Renault.

* Our stakeholders include customers, shareholders, employees, dealers and suppliers, as well as the communities where we work and operate.

FINANCIAL HIGHLIGHTS

		2014	2013	2012*2	2011	2010
	For the years ended	Mar. 31, 2015	Mar. 31, 2014	Mar. 31, 2013	Mar. 31, 2012	Mar. 31, 2011
Net sales*1	Millions of yen	**11,375,207**	10,482,520	8,737,320	9,409,026	8,773,093
Ordinary income	Millions of yen	**694,232**	527,189	504,421	535,090	537,814
Net income	Millions of yen	**457,574**	389,034	341,117	341,433	319,221
Comprehensive income	Millions of yen	**719,903**	796,533	721,860	290,600	189,198
Net assets	Millions of yen	**5,247,262**	4,671,528	4,036,030	3,449,997	3,273,783
Total assets	Millions of yen	**17,045,659**	14,703,403	12,442,337	11,072,053	10,736,693
Net assets per share	Yen	**1,152.83**	1,035.06	890.38	750.77	703.16
Basic net income per share	Yen	**109.15**	92.82	81.39	81.67	76.44
Diluted net income per share*3	Yen	**109.14**	92.82	—	—	—
Net assets as a percentage of total assets	%	**28.4**	29.5	30.0	28.4	27.4
Return on equity	%	**10.0**	9.6	9.9	11.2	11.3
Price earnings ratio	Times	**11.21**	9.91	11.08	10.79	9.65
Cash flows from operating activities	Millions of yen	**692,747**	728,123	412,257	696,297	667,502
Cash flows from investing activities	Millions of yen	**(1,022,025)**	(1,080,416)	(838,047)	(685,053)	(331,118)
Cash flows from financing activities	Millions of yen	**245,896**	396,925	433,817	(308,457)	110,575
Cash and cash equivalents at end of fiscal year	Millions of yen	**802,612**	832,716	711,901	840,871	1,153,453
Employees*4	Number	**149,388**	142,925	130,274	157,365	155,099
		(20,381)	(21,750)	(22,442)	(34,775)	(27,816)
( ) represents the average number of part-time employees not included in the above numbers		**151,710**	147,939	136,625	161,513	159,398
		(20,748)	(22,642)	(23,307)	(35,099)	(28,089)

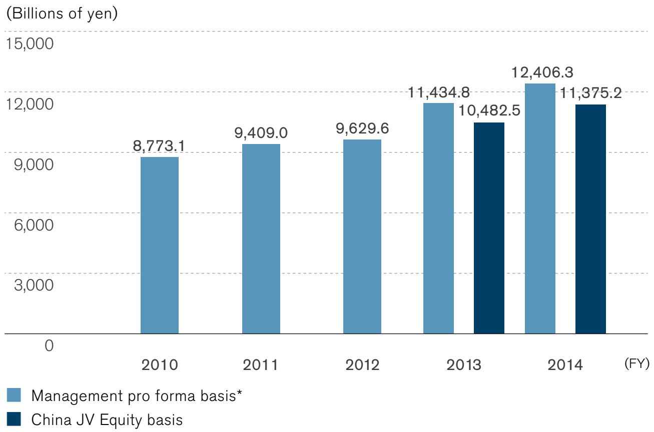
Notes:
*1 Net sales are presented exclusive of consumption tax.
*2 Effective from fiscal 2013, International Financial Reporting Standards (IFRS) 11 Joint Arrangements, which was released on May 12, 2011, and International Accounting Standards (IAS) 19 Employee Benefits, which was released on June 16, 2011, have been applied in some foreign subsidiaries and affiliates, and key financial data and trends for fiscal 2012 are adjusted.
*3 Diluted net income per share for fiscal 2010, fiscal 2011 and fiscal 2012 is not presented because the Company had no securities with dilutive effects.
*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.

Key figures for fiscal 2014
(China JV Equity Basis)

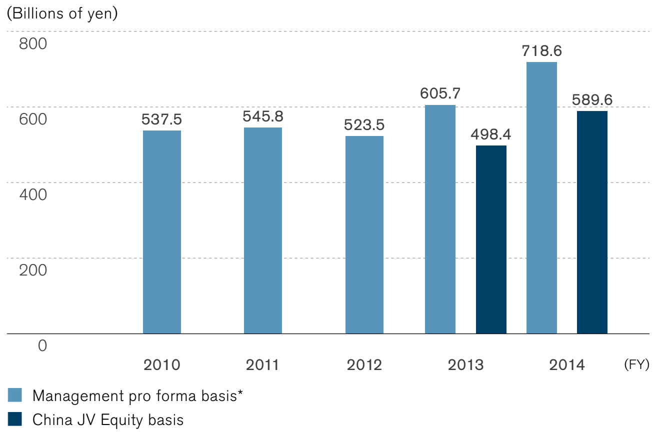
Net sales climbed 892.7 billion yen for the year to reach 11,375.2 billion yen.
Operating profit was 589.6 billion yen, for a profit margin of 5.2%.

Under the forecast of consolidated operating results after fiscal 2013, the consolidation method for Dongfeng Motor Co.,Ltd. has been changed from proportionate consolidation to the equity method in comparison with the results until fiscal 2012 by the adoption of IFRS11.

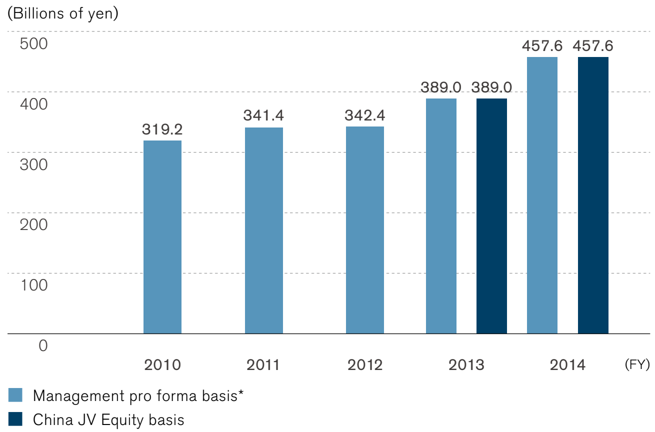
Net Sales



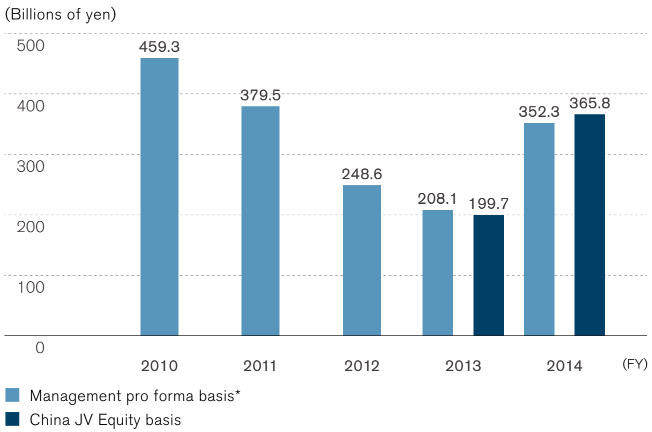
Operating Profit



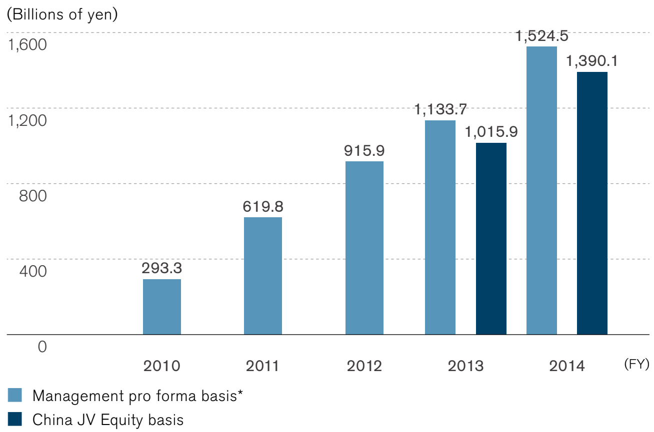
Net Income



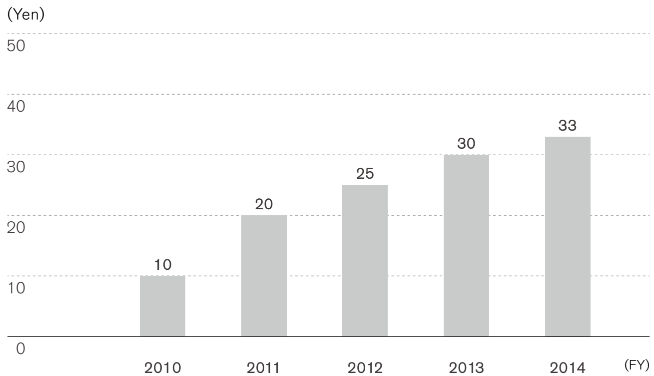
Free Cash Flow (Auto Business)



Net Cash (Auto Business)



Dividend per Share



* Based on continuation of proportionate consolidation of China JV

TO OUR SHAREHOLDERS

Carlos Ghosn
President and Chief Executive Officer

We are committed to achieving the goals of our mid-term business plan and keeping Nissan on a path toward long-term, sustainable growth.

In the 12 months since our last Annual Report, Nissan Motor Corporation has become a stronger, more efficient, and better-performing company. Fiscal 2014 was marked by many operational and financial improvements and by significant growth in key markets.

Although conditions were challenging in several markets, a combination of encouraging demand for new products and our sustained fiscal discipline led to record automotive net cash levels. This performance also enabled Nissan to maintain its progressive dividend policy, delivering attractive returns to shareholders.

Our shareholder returns and overall financial performance followed Nissan's success in enhancing its product line-up and delivering several award-winning models, like the X-Trail, which was named "Car of the Year" in China. In this period, we also took further steps to enhance efficiency. This included reducing our per-vehicle total delivery costs. We improved *monozukuri* competitiveness and expanded Nissan's global manufacturing footprint and took steps to start increasing production in Japan. And we continued to lead the way into untapped markets, such as Nigeria, where Nissan became the first major auto brand to localize production.

As a result, we increased global volume and set a new sales record last fiscal year. This was driven primarily by our strong performance in the United States, Mexico and Canada. In North America, we saw record sales, with double digit gains. Nissan also saw a rebound in Western Europe, where the market has strengthened following a period of volatility. This helped compensate for more difficult conditions in other regions.

Our market strengths continue to be matched by product innovation and the introduction of new technologies, not least in zero emissions. We maintained our position as the auto industry's undisputed leader for zero-emission mobility, led by the all-electric Nissan LEAF model.

During the year, Nissan expanded its network of partners across and beyond the auto industry. This included expanding our strategic cooperation with Daimler and teaming up with NASA to advance our Autonomous Drive vehicle technology. And we deepened Nissan's longest-standing and most important partnership, the Renault-Nissan Alliance. In 2014, the Alliance posted record synergies of 3.80 billion euros, up from 2.87 billion euros the previous year.

Taken together, these steps have ensured that Nissan has entered fiscal 2015 with powerful momentum that we will carry forward. The full scope of our global operations will continue to be guided by our strategic, mid-term plan, "Nissan Power 88." Clearly, we have high expectations for Nissan. To meet our goals, we will continue to execute our comprehensive, global strategy.

Products and new technologies

During the past fiscal year, Nissan launched 10 new models across all our brands. This product momentum has continued in fiscal 2015 with the launches of 6 all-new vehicles. Under the Nissan brand, we have the all-new Maxima and the all-new Titan pick-up truck in the US. In China, we will launch the all-new Lannia, a bold, sporty mid-size sedan for young Chinese customers. Our performance in China will be further boosted by the Venucia T70. And 2015 will be an important year for Infiniti. We will introduce two models, the Q30 and QX30 compact crossover, which will launch first in Europe and will be produced for the first time in Europe.

Nissan remains at the forefront of zero-emission technologies, producing and selling vehicles that contribute to a cleaner environment. The Nissan LEAF, the world's most popular all-electric vehicle, will pass the milestone of 200,000 unit sales in fiscal 2015. Our zero-emission product portfolio has been augmented by the launch of the e-NV200 light commercial vehicle and the Venucia e30 in China.

Nissan has been one of the foremost advocates for the development of recharging networks. There are now more than 14,000 electric vehicle (EV) chargers, not including home-chargers, in Japan. During fiscal 2015, the number of chargers in Japan will increase even further, and we will continue to develop our battery and vehicle technologies even further.

We believe that, in the near future, Nissan can provide EV drivers with even greater "peace of mind" range, by offering comparative mobility to today's conventional vehicles. Our research is aimed at delivering exceptional range, well beyond anything on the road today.

Nissan is exploring new materials and chemistry solutions in order to make thinner, lighter weight and less costly batteries. We foresee the day when you leave your home with a full charge, and are able to go about your day with no concerns then return home with ample charge.

The current fiscal year will also see further progress in the deployment of Autonomous Drive systems – another pillar of our technology strategy. It reinforces our commitment to leading the way toward a "zero-fatality, zero-emission" future. Our goal is for Nissan to be ready to deliver Autonomous Drive vehicles by 2020. Until then, we will introduce components of this technology on a regular basis. Starting this year in Japan, we will apply our emergency-brake technology as a standard feature on our highest volume models. This will be followed in 2016 by the introduction of traffic jam technology, which will enable cars to drive autonomously and safely on congested highways. In 2018, we will introduce multiple-lane controls technology, which allows cars to autonomously negotiate hazards and change lanes on highways. And by the end of the decade, we will introduce intersection-autonomy, enabling vehicles to negotiate city cross-roads without driver intervention. This will empower customers to drive with greater confidence, ease and safety.

Increased visibility of products and brands

Delivering innovative, exciting products and technologies will continue to be the core of Nissan's business. To realize the full benefit of these activities, we also need to make sure that potential customers are familiar with our brands and aware of our vehicles and technologies.

That is why we are backing up our *monozukuri* activities with bold, targeted *kotozukuri* activities. One particular area of strength is our sports partnerships, such as with the Yokohama F-Marinos, City Football Group, UEFA Champions League and Infiniti Red Bull Racing, which have resulted in the improvement of Nissan's overall opinion scores and increased awareness of the Infiniti brand.

Renault – Nissan Alliance

Another area of continued strength is our focus on Alliance-driven synergies. Since the Renault-Nissan Alliance was established almost 16 years ago, it has become the fourth-largest automotive group in the world. Last year, we sold 8.5 million vehicles. With a total of eight brands, the Alliance represents 10% global market share.

The success of the Alliance has attracted other partners, but we know we can grow further and achieve more.

To maximize Alliance synergies, last year, we converged four key functions in Purchasing, Manufacturing and Logistics, Engineering; and Human Resources. This has put us on track to over achieve our target of a minimum of 4.3 billion euros in synergies by the end of fiscal year 2016.

Year ahead

In fiscal 2015, we expect to outperform the industry sales pace and deliver record-high revenue and solid profitability. Globally, we anticipate that total industry sales volumes will increase 0.1% to 85.4 million units. With a number of new models launching from Nissan and Infiniti, we project our sales to rise by 4.4% to 5.55 million units.

Although market conditions remain challenging in Japan, Russia and Brazil, we expect to make further progress in the US, China and Europe. We also have high expectations for Infiniti and Datsun. As a result of all these factors, the quality of our earnings will continue to improve in fiscal 2015 and that we are on the right track with our mid-term strategy. Based on our performance outlook for fiscal 2015, and our expectations for continued profitability and solid free cash flow, we project an increase in the annual dividend by 27% to 42 yen per share.

Conclusion

Nissan has begun this new fiscal year in a position of strength. We are committed to achieving the goals of our mid-term business plan and keeping Nissan on a path toward long-term, sustainable growth.

We have the resources, the talent and the determination to meet our objectives. And we will continue to deliver for our customers and our shareholders. Thank you, once again, for your support for Nissan Motor Corporation.

Carlos Ghosn
President and Chief Executive Officer
Nissan Motor Co., Ltd.

MESSAGE FROM THE CFO

Joseph G. Peter
Chief Financial Officer

"We will enhance enterprise value, maintain a strong balance sheet and provide shareholders an attractive dividend."

Nissan Motor Corporation has reinforced its position as a leading global automotive company, delivering solid business and financial results in fiscal 2014.

Despite challenging conditions in some regions, Nissan's global unit sales in fiscal 2014 reached 5.32 million units, an all-time record.

In terms of our financial performance (based on the equity method of accounting for our China Joint Venture), consolidated net revenues increased by 892.7 billion yen to 11.4 trillion yen. Operating profit rose by 18.3% to 589.6 billion yen and net income grew by 17.6% to 457.6 billion yen.

Automotive free cash flow was a positive 365.8 billion yen and we continued to strengthen the balance sheet ending the period with net cash of 1.4 trillion yen for our automotive business.

Our strong results reflect market growth in the US, Mexico, the UK, Russia and other parts of Europe, where award-winning vehicles such as X-TRAIL and Qashqai continued to generate demand. Orders for these and other new products compensated for difficult conditions in some other parts of the world.

The results also reflect our continued focus on cost efficiency, which contributed 112.7 billion yen in year-over-year operating profit improvement, mainly through our purchasing material cost-reduction efforts.

On a management pro-forma basis – reflecting the proportional consolidation accounting method of our joint venture in China, and which is consistent with the methodology used in developing the Nissan Power 88 Mid-term Plan objectives – net revenues increased by 8.5% to 12.4 trillion yen. Pro-forma operating profit rose by 18.6% to 718.6 billion yen. On this measure, we ended the fiscal period with net cash from our automotive operations of 1.5 trillion yen.

The positive results in fiscal 2014 provide a solid base as we follow the path toward our Power 88 goals.

Looking toward fiscal 2015, we anticipate total industry volumes will increase slightly to 85.44 million units. Of that total, we project that Nissan's global retail volumes will rise by 4.4% to 5.55 million units, driven by anticipated strong demand for our new products and continued execution of our Power 88 mid-term plan strategies and related initiatives.

Given this volume outlook, we expect net revenues to grow by 6.4% to 12.10 trillion yen for the 12 months ending March 31, 2016, calculated under the equity accounting method for our joint venture in China. Operating profit are targeted to reach 675 billion yen, representing a margin of 5.6%. Net income is expected to reach 485 billion yen, an annual increase of 6%.

On the “management pro-forma” basis (reflecting proportional consolidation of our China Joint Venture), we anticipate net revenues will increase by 7% to 13.27 trillion yen. Operating profit is forecast to grow by 16.2% to 835 billion yen, resulting in an operating profit margin of 6.3%. Net income is predicted to grow 6% to 485 billion yen.

Our financial priorities remain focused on ensuring sustainable profitable growth, generating positive automotive free cash flow and maintaining a strong balance sheet with sufficient levels of liquidity.

We will also continue to invest with discipline. In recent years, Nissan has invested in capacity in key markets for the mid- to long-term. We have expanded our manufacturing capacity, and we now are poised to take advantage of the investments made during the first half of our mid-term plan.

Overall, this means that Nissan can look ahead with confidence and remains on the right path towards the goals of our Power 88 mid-term plan.

This mid-term plan will see Nissan maintain its product offensive, following on from new models launched in the last fiscal year. We also anticipate further progress in the luxury segment through Infiniti and in emerging markets with our entry-level Datsun brand.

These efforts coincide with continued targeted investments in new technologies, particularly autonomous drive systems, and our continued deployment of the world’s best-selling zero-emission electric vehicles. Progress in these areas will complement continued contributions from our Alliance strategy, which is forecast to deliver increased synergies and global scale as we cooperate more closely in converged functions.

Reflecting confidence in our mid-term plan and based on our healthy financial position and outlook for fiscal year 2015, including continued solidly positive free cash flow generation, we announced in May this year our intention to increase the dividend by 27% to 42 yen per share for fiscal 2015.

As we’ve stated previously, our dividend policy for the remainder of the mid-term plan period targets a minimum pay-out ratio of 30% of net income. This reflects our recognition – shared by asset managers – that Nissan should continue to deliver an attractive return to shareholders.

In conclusion, our mid-term business plan is designed to significantly enhance shareholder value through business growth that drives higher revenue, profits and strong sustained free cash flow generation. We will enhance enterprise value, maintain a strong balance sheet and provide shareholders an attractive dividend.

Success in meeting our Power 88 goals should allow Nissan to continue to enhance returns to shareholders, realized through increased dividends and an improved market valuation.

Joseph G. Peter
Chief Financial Officer

THE MID-TERM PLAN "NISSAN POWER 88"

SIX STRATEGIES UNDER NISSAN POWER 88

1	2	3
Strengthening brand power	Enhancing sales power	Enhancing quality
4	**5**	**6**
Zero-emission leadership	Business expansion	Cost leadership

Nissan is operating its business based on the mid-term plan, Nissan Power 88, for the fiscal years 2011 to 2016. "Power" derives its significance from the strengths and efforts we will apply to our brands and sales.

Our commitment is to renew our focus on the overall customer experience, elevating Nissan's brand power and ensuring quality excellence for every person who buys a Nissan car. "88" denotes the measurable rewards from achieving our plan. We aim to achieve a global market share of 8% from 5.8% in 2010 and to increase our corporate operating profit to a sustainable 8%* from 6.1% in 2010.

Nissan is implementing six strategies under Nissan Power 88. Together with a stronger brand, investments in products, technologies and global capacity, we aim to achieve Nissan Power 88 and grow further.

* Management pro forma basis based on continuation of proportionate consolidation of China JV

ZERO EMISSION & ZERO FATALITY

Nissan's "Double Zero" Target

As the industry leader in zero-emission mobility, Nissan is committed to the penetration of electric vehicles (EVs) in the market. It is also striving to achieve virtually zero fatalities and serious injuries in accidents involving its vehicles.

Zero Emission

Zero Emissions

The Nissan LEAF is the best-selling EV in the world. This year the company is targeting cumulative global sales of more than 200,000 vehicles. Nissan has also extended its zero-emission technology to the e-NV200 light commercial vehicle and the Venucia e30 in China.

SAFETY SHIELD

「クルマが人を守る」という考え方

Zero Fatalities

Autonomous Drive technologies will provide a platform for Nissan to pursue its ultimate vision of achieving virtually zero fatalities. In 2016, Nissan will introduce an automated system intended to allow the car to drive autonomously in heavy, stop-and-go traffic. By 2018, we will introduce new technologies that enable cars to autonomously negotiate hazards and change lanes.

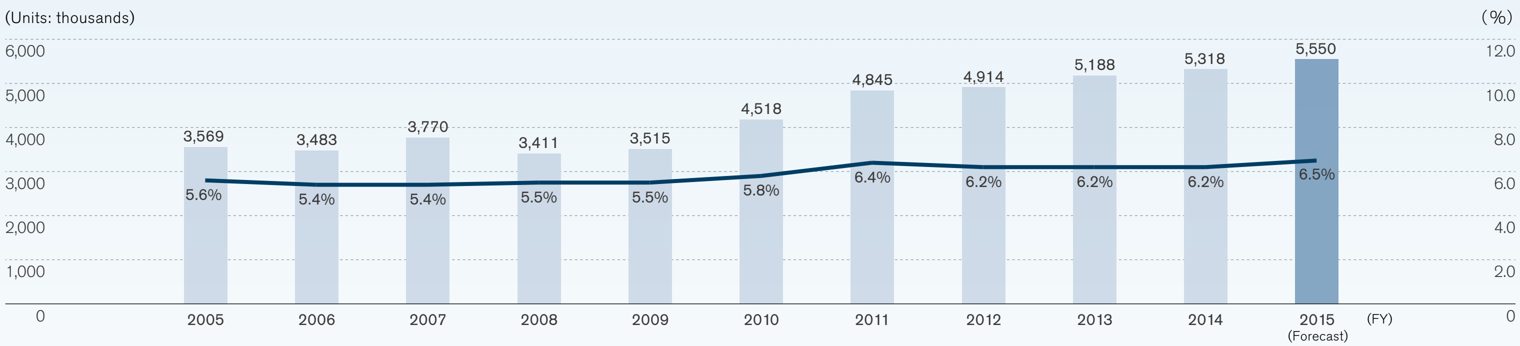
By 2020, the company aims to be ready to introduce automated technology allowing vehicles to navigate without driver intervention in a variety of situations, including complex city driving. Meanwhile, Nissan's Safety Shield technologies are fundamental to autonomous driving. Starting this year in Japan, Nissan will apply Emergency Braking technology as a standard feature on highest volume models..

FISCAL 2014 SALES PERFORMANCE AND FISCAL 2015 SALES OUTLOOK

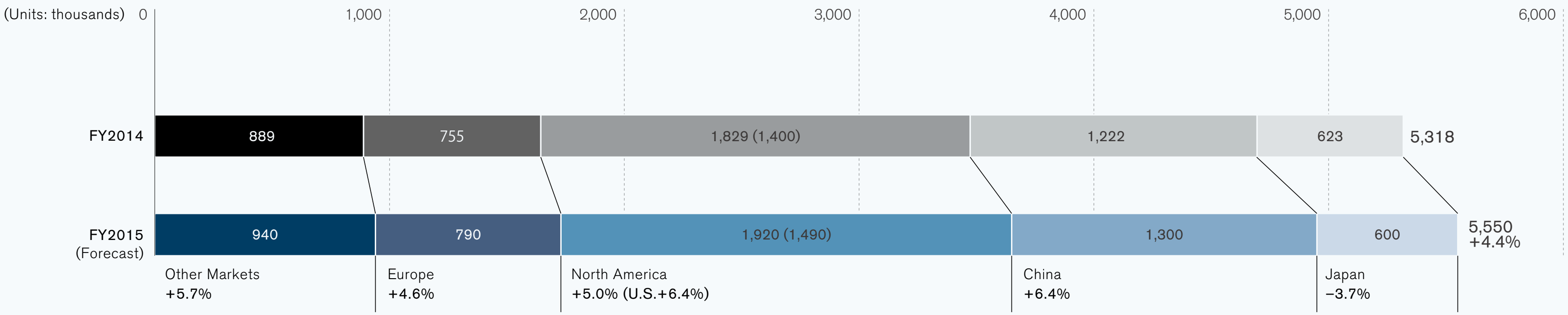
Global demand in fiscal 2014 reached 85.36 million vehicles, up 2.7% from fiscal 2013. Nissan's global sales volume climbed 2.5% to 5.318 million vehicles and global market share was 6.2%, equal to fiscal 2013.

For fiscal 2015, Nissan expects to grow faster than the industry as a whole. We anticipate that total industry volumes will increase by 0.1% to 85.44 million units. Our global retail volumes are expected to rise by 4.4% to 5.55 million units. This would equate to a global market share of 6.5%, an increase of 0.3 percentage points compared to 2014.

Global Retail Sales Performance / Market Share and Global Sales Outlook



Sales Performance and Sales Outlook by Regions



SALES VOLUME AND SALES OUTLOOK BY REGIONS

Japan

Total Sales Volume: **623** thousand units

Dayz/Dayz Roox

China

Total Sales Volume: **1,222** thousand units

Sylphy

United States

Total Sales Volume: **1,400** thousand units

Altima

Europe

Total Sales Volume: **755** thousand units

Qashqai

Other Markets

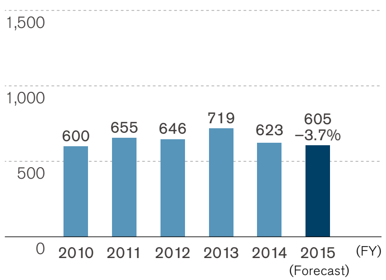
Total Sales Volume: **889** thousand units

NP300 Navara

Datsun GO+ Panca

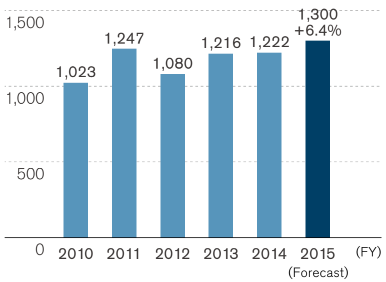
Sales in Japan

(Units: thousands)



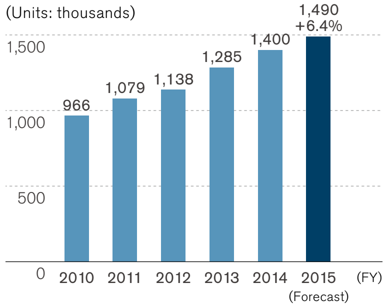
Sales in China

(Units: thousands)



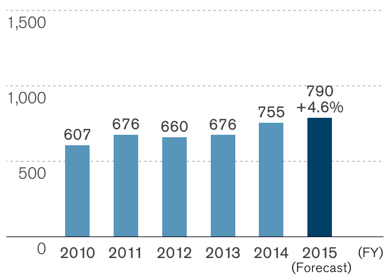
Sales in United States

(Units: thousands)



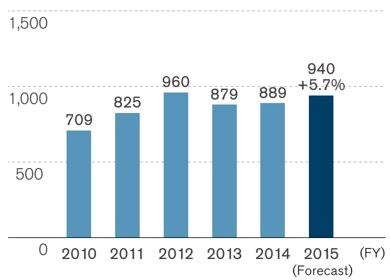
Sales in Europe (Including Russia)

(Units: thousands)



Sales in Other Markets

(Units: thousands)



Sales for Top Three Models

(Units: thousands)

Dayz/Dayz Roox	**167.5**
Note	101.3
Serena	67.1

Sales for Top Three Models

(Units: thousands)

Sylphy Series	**300.1**
X-Trail	114.5
Teana	109.3

Sales for Top Three Models

(Units: thousands)

Altima	**333.2**
Rogue	213.2
Sentra	193.5

Sales for Top Three Models

(Units: thousands)

Qashqai	**246.0**
Juke	119.3
Micra	66.9

Sales by Region

(Units: thousands)

Asia and Oceania	363
Latin America	184
Middle East	237

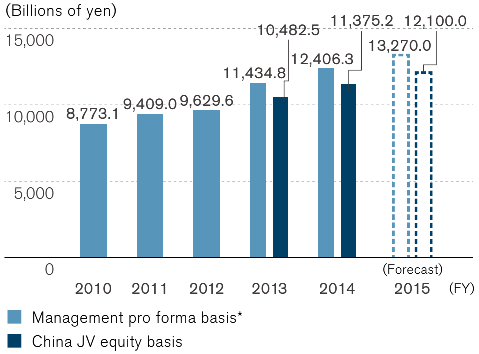
FISCAL 2014 FINANCIAL REVIEW AND FISCAL 2015 OUTLOOK

Fiscal 2014 Financial Performance (China JV Equity Basis)

Net sales

For fiscal 2014, consolidated net sales increased 8.5%, to 11.38 trillion yen.

Net Sales

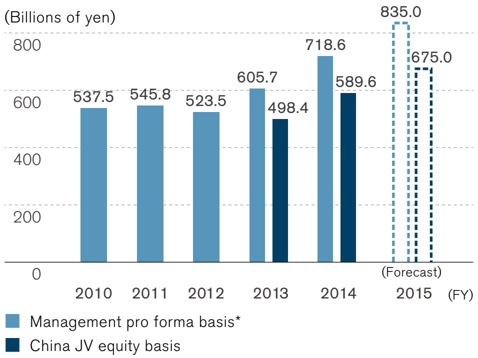


Operating profit

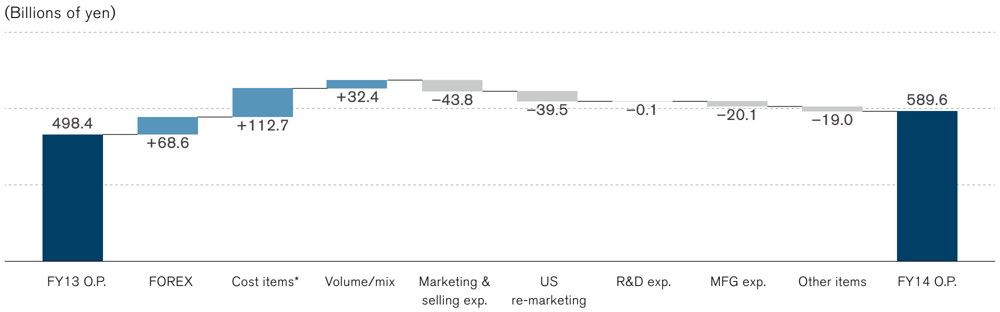
Consolidated operating profit totaled 589.6 billion yen, an increase of 18.3% from the previous year. In comparison to the previous year's consolidated operating profit, the variance was due to the following factors:

- The 68.6 billion yen positive impact from foreign exchange rates came mainly from the correction of the yen against the U.S. dollar.
- Cost items resulted in net savings of 112.7 billion yen, as purchasing material cost-reduction efforts were only partially offset by cost increases due to product enrichment and raw materials.
- Volume and mix resulted in a net positive impact of 32.4 billion yen.
- The increase in marketing and selling expenses resulted in a 43.8 billion yen negative impact.
- U.S. re-marketing performance decreased by 39.5 billion yen.
- R&D expenses increased by 0.1 billion yen.
- Manufacturing expenses rose by 20.1 billion yen.
- Other items had a negative impact of 19.0 billion yen.

Operating Profit



Impact on Operating Profit



* Including purch. cost reduction, raw material and product enrichment.

Net income

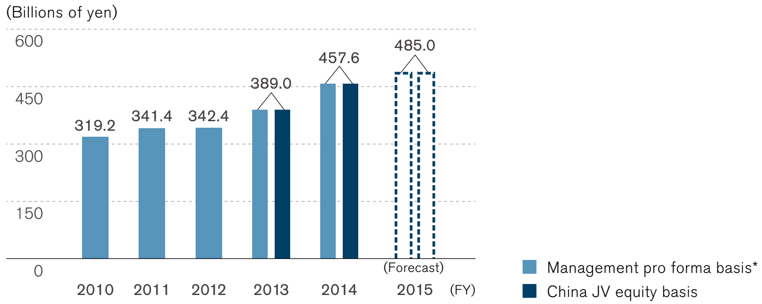
Net non-operating income amounted to 104.6 billion yen for the current fiscal year, increasing by 75.8 billion yen due to a 79.3 billion yen foreign exchange gain and 27.7 billion yen increase in equity in earnings of affiliates.

Net special loss was 6.8 billion yen, a decrease of 9.0 billion yen. This was primarily attributable to a 16.1 billion yen impairment loss of fixed benefits.

Income taxes paid for the current fiscal year increased by 82.2 billion yen from the previous fiscal year to 197.3 billion yen.

Consolidated net income increased by 68.6 billion yen from 389.0 billion yen for the previous fiscal year to 457.6 billion yen for the current fiscal year.

Net Income



* Based on continuation of proportionate consolidation of China JV

Financial Position (China JV Equity Basis)

Balance sheet

Total assets increased by 15.9% to 17,045.7 billion yen compared to March 31, 2014.

Current assets increased by 19.8% to 10,317.3 billion yen compared to March 31, 2014. This was mainly attributable to an increase in sales finance receivables by 1,279.3 billion yen.

Fixed assets increased by 10.4% to 6,728.3 billion yen compared to March 31, 2014. This was mainly attributable to an increase in machinery, equipment and vehicles, net by 462.9 billion yen and an increase in investment securities by 58.4 billion yen.

Current liabilities increased by 23.7% to 6,417.5 billion yen compared to March 31, 2014. This was mainly due to increases in the current portion of long-term borrowings by 466.2 billion yen and short-term borrowings by 316.0 billion yen. Long-term liabilities increased by 11.1% to 5,380.9 billion yen compared to March 31, 2014. This was mainly due to increases in bonds by 176.7 billion yen and net retirement benefit obligation by 119.7 billion yen.

Net assets increased by 12.3% to 5,247.3 billion yen compared to 4,671.5 billion yen as of March 31, 2014. This was mainly due to net income of 457.6 billion yen and a decrease in translation adjustments by 222.4 billion yen.

Free cash flow and net cash (auto business)

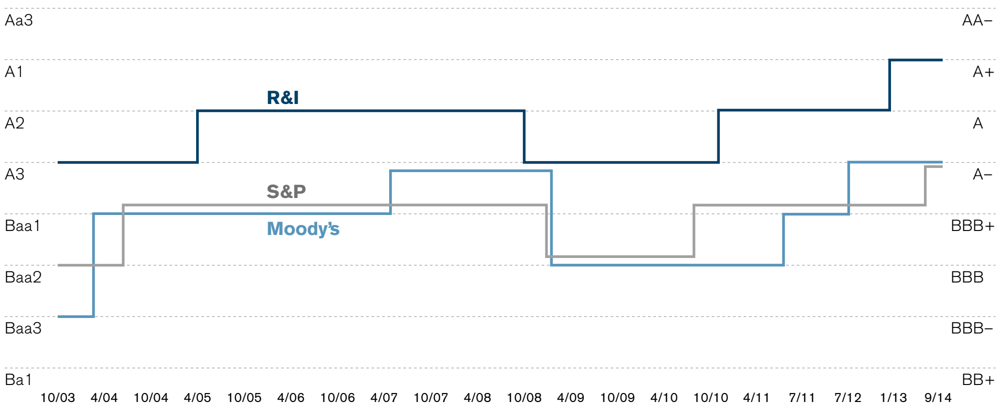
For fiscal 2014, Nissan achieved a positive free cash flow of 365.8 billion yen. At the end of fiscal 2014, our net automotive cash improved from the previous fiscal year to 1,390.1 billion yen.

We continue to maintain a close focus on our inventory of new vehicles. Inventory stood at 810,000 units at the end of fiscal 2014. The company continues to manage inventory carefully in order to limit its impact on free cash flow.

Long-term credit rating

Nissan's long-term credit rating with Rating & Investment Information, Inc. (R&I) is A+ with a stable outlook. The Standard & Poor's (S&P) long-term credit rating for Nissan is A– with a stable outlook. Nissan's credit rating with Moody's is A3 with a stable outlook.

Corporate Ratings



Sales finance

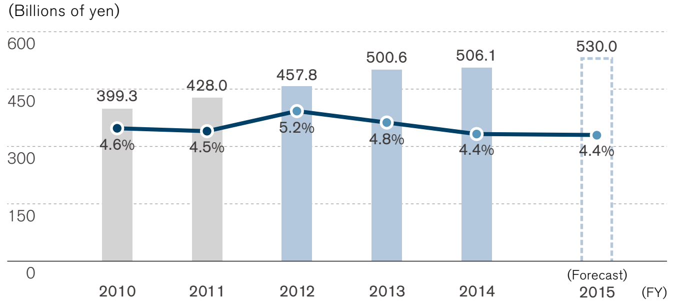
Due to the increase in retail sales, total financial assets of the sales finance segment increased by 20.8% to 9,281.3 billion yen from 7,682.1 billion yen in fiscal 2013. The sales finance segment generated 195.5 billion yen in operating profits in fiscal 2014 from 164.7 billion yen in fiscal 2013.

Investment policy

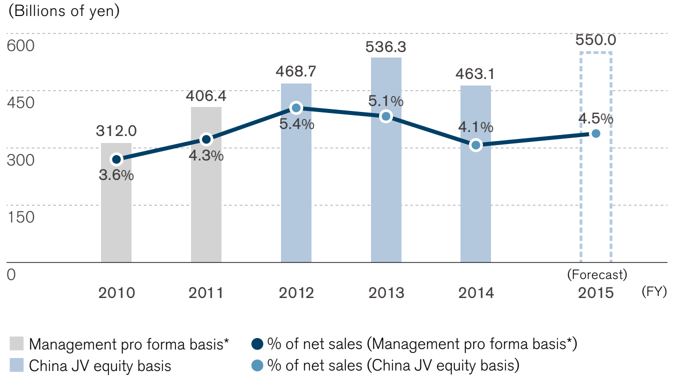
Capital expenditures totaled 463.1 billion yen, which was 4.1% of net sales. The company used capital expenditures in order to ensure Nissan's future competitiveness.

R&D expenditures totaled 506.1 billion yen. These funds were used to develop new technologies and products. One of the company's strengths is its extensive collaboration and development structure with Renault's R&D team, resulting from the Alliance.

R&D Expenditures



Capital Expenditures



* Based on continuation of proportionate consolidation of China JV

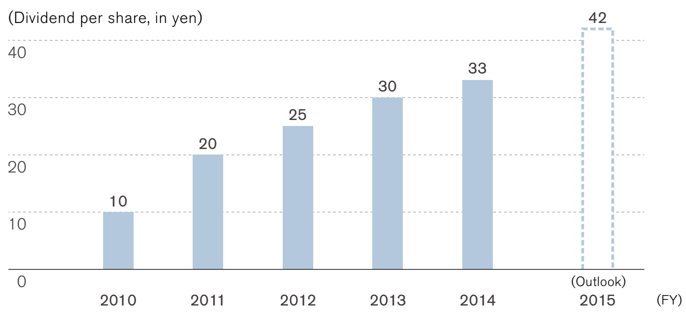
Dividend

Nissan's strategic actions reflect not only its long-term vision as a global company to create sustainable value but also the company's commitment to maximizing total shareholder returns.

We paid year-end cash dividends of 16.5 yen per share for fiscal 2014. As a result, the total dividend payment for fiscal 2014, combined with the 16.5 yen dividend for the interim period, was 33 yen per share.

The dividend payment plan for fiscal 2015 is to be 42 yen per share, considering the business condition, risks and opportunities for the year.

Dividend



Fiscal 2015 Outlook (China JV Equity Basis)

In our outlook for fiscal 2015, we expect our global sales to reach 5.55 million units, an increase of 4.4% compared to fiscal 2014.

With a total industry volume assumption of 85.44 million units, a 0.1 % increase year on year, our global market share is expected to grow from 6.2% to 6.5%.

In consequence of our plan, the financial forecast is as follows. We have used a foreign exchange rate assumption of 115 yen to the dollar and 130 yen to the euro:

Nissan's Fiscal 2015 Outlook

■ Net sales	12.10 trillion yen
■ Operating profit	675.0 billion yen
■ Net income	485.0 billion yen

FINANCIAL STATEMENTS

Consolidated balance sheets (China JV Equity basis)

(Millions of yen)

	FY2013 As of March 31, 2014	FY2014 As of March 31, 2015
Assets		
Current assets		
Cash on hand and in banks	822,863	761,074
Trade notes and accounts receivable	785,954	888,814
Sales finance receivables	5,033,558	6,312,874
Securities	13,470	41,651
Merchandise and finished goods	769,676	853,962
Work in process	94,386	90,811
Raw materials and supplies	287,789	365,224
Deferred tax assets	210,395	226,891
Other	650,143	851,168
Allowance for doubtful accounts	(58,956)	(75,124)
Total current assets	**8,609,278**	**10,317,345**
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	615,127	661,979
Machinery, equipment and vehicles, net	2,658,776	3,121,627
Land	642,932	643,940
Construction in progress	337,635	265,119
Other, net	503,568	573,574
Total property, plant and equipment	4,758,038	5,266,239
Intangible fixed assets	92,334	114,456
Investments and other assets		
Investment securities	930,293	988,733
Long-term loans receivable	13,529	14,569
Net defined benefit assets	7,262	10,078
Deferred tax assets	117,437	140,669
Other	177,785	195,927
Allowance for doubtful accounts	(2,553)	(2,357)
Total investments and other assets	1,243,753	1,347,619
Total fixed assets	**6,094,125**	**6,728,314**
Total assets	**14,703,403**	**17,045,659**

(Millions of yen)

	FY2013 As of March 31, 2014	FY2014 As of March 31, 2015
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,511,910	1,554,399
Short-term borrowings	706,576	1,022,613
Current portion of long-term borrowings	910,546	1,376,780
Commercial papers	151,175	200,692
Current portion of bonds	226,590	216,942
Lease obligations	32,838	23,043
Accrued expenses	693,438	908,909
Deferred tax liabilities	316	64
Accrued warranty costs	93,151	112,989
Other	860,709	1,001,064
Total current liabilities	**5,187,249**	**6,417,495**
Long-term liabilities		
Bonds	918,783	1,095,518
Long-term borrowings	2,682,381	2,717,478
Lease obligations	23,580	18,167
Deferred tax liabilities	605,140	673,521
Accrued warranty costs	105,884	129,365
Net defined benefit liability	216,583	336,261
Other	292,275	410,592
Total long-term liabilities	**4,844,626**	**5,380,902**
Total liabilities	**10,031,875**	**11,798,397**
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	804,485	804,567
Retained earnings	3,526,646	3,811,848
Treasury stock	(149,315)	(148,239)
Total shareholders' equity	**4,787,630**	**5,073,990**
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	81,630	95,600
Unrealized gain and loss from hedging instruments	(7,015)	7,185
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(13,945)
Translation adjustments	(469,202)	(246,776)
Remeasurements of defined benefit plans	(40,444)	(81,638)
Total accumulated other comprehensive income	**(448,976)**	**(239,574)**
Share subscription rights	2,401	2,294
Minority interests	330,473	410,552
Total net assets	**4,671,528**	**5,247,262**
Total liabilities and net assets	**14,703,403**	**17,045,659**

Consolidated statement of income (China JV Equity basis)

(Millions of yen)

	FY2013 (From April 1, 2013 to March 31, 2014)	FY2014 (From April 1, 2014 to March 31, 2015)
Net sales	10,482,520	11,375,207
Cost of sales	8,636,063	9,241,341
Gross profit	1,846,457	2,133,866
Selling, general and administrative expenses		
Advertising expenses	289,098	336,792
Service costs	100,255	93,606
Provision for warranty costs	107,480	133,567
Other selling expenses	204,953	255,044
Salaries and wages	354,908	392,969
Retirement benefit expenses	25,174	17,511
Supplies	3,637	4,222
Depreciation and amortization	43,515	44,826
Provision for doubtful accounts	31,869	52,079
Amortization of goodwill	1,814	1,837
Other	185,389	211,852
Total selling, general and administrative expenses	**1,348,092**	**1,544,305**
Operating income	**498,365**	**589,561**
Non-operating income		
Interest income	17,064	25,323
Dividends income	6,013	6,425
Equity in earnings of affiliates	78,815	106,513
Exchange gain	—	66,185
Miscellaneous income	9,254	17,813
Total non-operating income	**111,146**	**222,259**
Non-operating expenses		
Interest expense	28,677	29,167
Derivative loss	18,166	58,379
Exchange loss	13,063	—
Amortization of net retirement benefit obligation at transition	9,075	9,098
Miscellaneous expenses	13,341	20,944
Total non-operating expenses	**82,322**	**117,588**
Ordinary income	**527,189**	**694,232**

(Millions of yen)

	FY2013 (From April 1, 2013 to March 31, 2014)	FY2014 (From April 1, 2014 to March 31, 2015)
Special gains		
Gain on sales of fixed assets	9,168	20,008
Gain on contribution of securities to retirement benefit trust	12,175	17,725
Other	5,785	6,169
Total special gains	**27,128**	**43,902**
Special losses		
Loss on sales of fixed assets	1,694	3,299
Loss on disposal of fixed assets	11,456	17,069
Impairment loss	2,130	16,103
Other	9,659	14,242
Total special losses	**24,939**	**50,713**
Income before income taxes and minority interests	**529,378**	**687,421**
Income taxes-current	131,990	224,010
Income taxes-deferred	(16,939)	(26,686)
Total income taxes	**115,051**	**197,324**
Income before minority interests	**414,327**	**490,097**
Income attributable to minority interests	**25,293**	**32,523**
Net income	**389,034**	**457,574**

Consolidated statement of cash flows (China JV Equity basis)

(Millions of yen)

	FY2013 (From April 1, 2013 to March 31, 2014)	FY2014 (From April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	529,378	687,421
Depreciation and amortization (for fixed assets excluding leased vehicles)	364,926	398,982
Depreciation and amortization (for long term prepaid expenses)	24,086	28,003
Depreciation and amortization (for leased vehicles)	288,276	355,292
Impairment loss	2,130	16,103
Gain on contribution of securities to retirement benefit trust	(12,175)	(17,725)
Increase (decrease) in allowance for doubtful receivables	12,160	13,471
Loss (gain) for residual value risk of leased vehicles	11,633	41,911
Interest and dividend income	(23,077)	(31,748)
Interest expense	101,451	112,823
Equity in losses (earnings) of affiliates	(78,815)	(106,513)
Loss (gain) on sales of fixed assets	(7,474)	(16,709)
Loss on disposal of fixed assets	11,456	17,069
Decrease (increase) in trade notes and accounts receivable	(173,228)	(64,118)
Decrease (increase) in sales finance receivables	(587,060)	(707,321)
Decrease (increase) in inventories	(38,057)	(82,435)
Increase (decrease) in trade notes and accounts payable	334,367	125,840
Amortization of net retirement benefit obligation at transition	9,075	9,098
Retirement benefit expenses	37,701	26,789
Payments relared to net defined benefit assets and liability	(36,658)	(25,815)
Other	34,749	53,350
Subtotal	**804,844**	**833,768**
Interest and dividends received	20,654	25,793
Proceeds from dividends income from affiliates accounted for by equity method	98,907	145,780
Interest paid	(99,861)	(114,659)
Income taxes paid	(96,421)	(197,899)
Net cash provided by operating activities	**728,123**	**692,747**

(Millions of yen)

	FY2013 (From April 1, 2013 to March 31, 2014)	FY2014 (From April 1, 2014 to March 31, 2015)
Cash flows from investing activities		
Net decrease (increase) in short-term investments	(3,360)	3,405
Purchase of fixed assets	(551,808)	(513,268)
Proceeds from sales of fixed assets	79,578	88,318
Purchase of leased vehicles	(1,004,141)	(1,070,654)
Proceeds from sales of leased vehicles	465,501	537,721
Payments of long-term loans receivable	(1,292)	(534)
Collection of long-term loans receivable	254	310
Purchase of investment securities	(37,617)	(25,591)
Proceeds from sales of investment securities	2,223	6,104
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	(1,321)	(156)
Proceeds from (payments for) purchase of subsidiaries' shares resulting in changes in the scope of consolidation	972	—
Net decrease (increase) in restricted cash	(8,628)	(36,258)
Other	(20,777)	(11,422)
Net cash used in investing activities	**(1,080,416)**	**(1,022,025)**
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(19,920)	445,170
Proceeds from long-term borrowings	1,373,644	981,970
Proceeds from issuance of bonds	444,666	325,513
Repayments of long-term borrowings	(1,058,838)	(1,094,942)
Redemption of bonds	(181,628)	(238,124)
Proceeds from minority shareholders	9,599	6,242
Purchase of treasury stock	(11)	(61)
Proceeds from sales of treasury stock	127	618
Repayments of lease obligations	(44,312)	(34,047)
Cash dividends paid	(115,265)	(132,054)
Cash dividends paid to minority shareholders	(11,137)	(14,389)
Net cash provided by financing activities	**396,925**	**245,896**
Effects of exchange rate changes on cash and cash equivalents	**74,850**	**50,660**
Increase (decrease) in cash and cash equivalents	**119,482**	**(32,722)**
Cash and cash equivalents at beginning of the period	711,901	832,716
Increase due to inclusion in consolidation	1,333	2,618
Cash and cash equivalents at end of the period	**832,716**	**802,612**

EXECUTIVES

DIRECTORS OF THE BOARD AND AUDITORS

Representative Directors

Carlos Ghosn
President and Chairman

Hiroto Saikawa
Greg Kelly

Directors

Hideyuki Sakamoto
Fumiaki Matsumoto
Kimiyasu Nakamura
Toshiyuki Shiga
Jean-Baptiste-Duzan
Bernard Rey

Auditors

Hidetoshi Imazu
Toshiyuki Nakamura
Motoo Nagai
Shigetoshi Andoh

(As of June 23, 2015)

EXECUTIVE COMMITTEE MEMBERS


Carlos Ghosn


Hiroto Saikawa


Joseph G. Peter


Trevor Mann


Philippe Klein


Takao Katagiri


Jose Munoz


Kimiyasu Nakamura


Hideyuki Sakamoto


Fumiaki Matsumoto


Daniele Schillaci

CORPORATE OFFICERS

Chief Executive Officer
Chairman of Board
President
Representative Director
Carlos Ghosn*

Chief Competitive Officer
Vice Chairman
Hiroto Saikawa*

Chief Financial Officer
Joseph G. Peter*
Finance
Control
IR
M&A Support
Global Sales Finance Business Unit
Administration for Affiliated Companies,
Marine Administration Office
Global IS/IT

Chief Performance Officer
Trevor Mann*
Responsible for 6 management committees
Global Aftersales
Global Datsun Business Unit

Chief Planning Officer
Philippe Klein*
Global Product Planning
Global Program Management
Global Market Intelligence
Global Marketing
Vehicle Information Technology
Global Sales

Executive Vice President
Takao Katagiri*
Region: Japan, Asia, Oceania
Japan Marketing & Sales

Executive Vice President
Jose Munoz*
Region : North America

Executive Vice President
Kimiyasu Nakamura*
TCSX
(Total Customer Satisfaction Function)

Executive Vice President
Hideyuki Sakamoto*
Product Engineering

Executive Vice President
Fumiaki Matsumoto*
Manufacturing & SCM Operations

Executive Vice President
Daniele Schillaci*
Global Marketing & Sales

Executive Vice President
Tsuyoshi Yamaguchi
Alliance Technology Development

Executive Vice President
Yasuhiro Yamauchi
Alliance Purchasing

Senior Vice Presidents
Shiro Nakamura
Hitoshi Kawaguchi
Takao Asami
Jun Seki
Jose Luis Valls
Takashi Hata
Paul Willcox
Roland Krueger
Arun Bajaj
Asako Hoshino
Rakesh Kochhar
Hari Nada
Christian Mardrus

Corporate Vice Presidents
Celso Guiotoko
Joji Tagawa
Atsushi Hirose
Shunichi Toyomasu
Vincent Cobee
Yusuke Takahashi
Hiroshi Karube
Toru Hasegawa
Keno Kato
Noboru Tateishi
Roel De Vries
Tony Laydon
Kunio Nakaguro
Mitsuro Antoku
Naoya Fujimoto
Toshihiro Hirai
Hiroshi Nagaoka
Akihiro Otomo
Atul Pasricha
Nobuya Uranishi
Philippe Guerin-Boutaud
Allan Rushforth
Kent O'Hara

Fellow
Haruyoshi Kumura

Vice Chairman
Toshiyuki Shiga

(As of August 1, 2015)

* Executive Committee Members

CORPORATE GOVERNANCE & INTERNAL CONTROL

Details of this section are reported on the Company's website, "Blue Citizenship: Nissan's CSR."
Please see the Sustainability Report and the Current State of Nissan's Risk Management.

CORPORATE GOVERNANCE SYSTEM

Nissan believes that enhancing its corporate governance is one of its most important business issues. Ensuring clear management responsibility is a key way to achieve this. Nissan announces clear management targets and policies to all its stakeholders and discloses its performance promptly with a high degree of transparency.

Information regarding the following is provided in the Company's Sustainability Report.

- Corporate Governance System in Detail
- Internal Control Systems
- Independent Internal Audits

COMPLIANCE

In promoting corporate social responsibility (CSR), it is essential that each employee practices compliance with high ethical standards. In order to raise compliance awareness throughout the company, Nissan has established specialized departments and appointed officers to promote compliance policy in each region where it operates.

Information regarding the following is provided in the Company's Sustainability Report.

- Employees and Compliance
- Security-Related Export Controls
- Promoting Thorough Compliance
- Nissan's Stance Against Discrimination and Harassment
- Internal Reporting System for Corporate Soundness

RISK MANAGEMENT

Nissan defines risks as anything that might prevent it from achieving its business goals. By detecting risks as early as possible, examining them, planning the necessary measures to address them and implementing those measures, the company works to minimize the materialization of risks as well as the impact they cause.

Information regarding the following is provided in the Company's Sustainability Report.

- Principles for and Approach to Corporate Risk Management
- Protecting Personal Data and Reinforcing Information Security

Information regarding the following is provided in the Current State of Nissan's Risk Management

- Risks Related to Financial Market
- Risks Related to Business Strategies and Maintenance of Competitiveness
- Business Continuity

website

Please see the 2015 Sustainability Report, p. 99, for more information on Corporate Governance & Internal Control.

website

Please see the Current State of Nissan's Risk Management for more information on risk management.