

Financial Results for the Three Months Ended June 30, 2017 (Japanese Accounting Standards) (Consolidated)

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(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Three Months Ended June 30, 2017 (April 1, 2017 through June 30, 2017)

<1> Consolidated operating results

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three Months Ended June 30, 2017	2,760,436	4.0	153,317	(12.8)	189,600	(4.4)	134,916	(1.1)
June 30, 2016	2,654,499	(8.4)	175,830	(9.2)	198,247	(8.2)	136,377	(10.7)

Note : Comprehensive income : 124,917 million yen for the three months ended June 30, 2017, —%
 (154,220) million yen for the three months ended June 30, 2016, —%

	Basic earnings per share	Diluted earnings per share
Three Months Ended	yen	yen
June 30, 2017	34.49	34.49
June 30, 2016	33.12	33.12

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets
	Millions of yen	Millions of yen	%
FY2017 1st quarter	18,491,144	5,182,927	26.4
FY2016	18,421,008	5,167,136	26.4

Reference: Net assets excluding share subscription rights and non-controlling interests: 4,887,019 million yen as of June 30, 2017,
 4,861,847 million yen as of March 31, 2017

2. Dividends

	Annual cash dividends per share				
	at 1st quarter end	at 2nd quarter end	at 3rd quarter end	at fiscal year end	Total
	yen	yen	yen	yen	yen
FY2016	—	24.00	—	24.00	48.00
FY2017	—				
FY2017 forecast		—	—	—	53.00

Note : Changes in dividends forecast for FY2017 from the latest disclosure : None

For FY2017 forecast, allocation of cash dividends per share between 2nd quarter end and fiscal year end has not yet been determined.

3. Forecast of consolidated operating results for FY2017 (April 1, 2017 through March 31, 2018)

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	Net sales		Operating income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
FY2017 1st half	—	—	—	—	—	—	—
FY2017	11,800,000	0.7	685,000	(7.7)	535,000	(19.4)	136.77

Note : Changes in forecast of consolidated operating results for FY2017 from the latest disclosure : None

Forecast of consolidated operating results for FY2017 1st half has not been prepared.

※ Notes

- <1> Significant changes in scope of consolidated subsidiaries : None
<2> Adoption of specific accounting policies for quarterly consolidated financial statements : Applicable

Note: See attached page8 "(4) Notes to Quarterly Consolidated Financial Statements - (Adoption of specific accounting policies for quarterly consolidated financial statements) "

- <3> Changes in accounting policies, accounting estimation change and restatement
<3>-1 Changes in accounting policies due to the revision of the accounting standards. : None
<3>-2 Changes in accounting policies except for those in <3>-1 : None
<3>-3 Changes due to accounting estimation change : None
<3>-4 Restatement : None

<4> Number of shares issued

<4>-1 Number of shares issued at the end of the period (including treasury stocks)

<4>-2 Number of treasury stocks at the end of the period

<4>-3 The average number of shares issued during the three months ended June 30

FY2017 1st quarter	4,220,715,112 shares	FY2016	4,220,715,112 shares
FY2017 1st quarter	309,501,248 shares	FY2016	309,024,958 shares
FY2017 1st quarter	3,911,573,883 shares	FY2016 1st quarter	4,117,740,693 shares

※ This Financial Results report is out of scope of Financial Audit.

※ Explanation regarding the appropriate use of forecast of operating results

The financial forecast of operating results is based on judgements and estimates that have been made using currently available information.

By nature, such financial forecast is subject to uncertainty and risk. Therefore, the final results might be significantly different from the

aforementioned forecast due to changes in economic environments related to our business, market trends, exchange rate, etc.

【Table of Contents】

Quarterly Consolidated Financial Statements	2
(1) Quarterly Consolidated Balance Sheets	2
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	4
Quarterly Consolidated Statements of Income	
Quarterly Consolidated Statements of Comprehensive Income	
(3) Quarterly Consolidated Statements of Cash Flows	6
(4) Notes to Quarterly Consolidated Financial Statements	8
(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)	8
(Note to significant changes in shareholders' equity)	8
(Adoption of specific accounting policies for quarterly consolidated financial statements)	8
(Segment information)	9

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

	(in millions of yen)	
	Prior Fiscal Year (As of March 31, 2017)	Current First Quarter (As of June 30, 2017)
Assets		
Current assets		
Cash on hand and in banks	1,122,484	1,028,908
Trade notes and accounts receivable	808,981	591,443
Sales finance receivables	7,340,636	7,513,108
Securities	121,524	98,685
Merchandise and finished goods	911,553	1,070,325
Work in process	73,409	91,163
Raw materials and supplies	288,199	291,872
Other	903,107	895,551
Allowance for doubtful accounts	(107,344)	(109,176)
Total current assets	11,462,549	11,471,879
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	609,769	606,728
Machinery, equipment and vehicles, net	3,342,305	3,430,692
Land	599,626	600,182
Construction in progress	177,394	190,520
Other, net	546,127	485,649
Total property, plant and equipment	5,275,221	5,313,771
Intangible fixed assets	127,807	131,365
Investments and other assets		
Investment securities	1,158,676	1,175,499
Other	398,603	400,363
Allowance for doubtful accounts	(1,848)	(1,733)
Total investments and other assets	1,555,431	1,574,129
Total fixed assets	6,958,459	7,019,265
Total assets	18,421,008	18,491,144

	(in millions of yen)	
	Prior Fiscal Year (As of March 31, 2017)	Current First Quarter (As of June 30, 2017)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,578,594	1,553,627
Short-term borrowings	980,654	1,132,372
Current portion of long-term borrowings	1,339,982	1,204,136
Commercial papers	430,019	522,838
Current portion of bonds	368,101	386,923
Lease obligations	31,565	31,293
Accrued expenses	1,112,591	1,081,320
Accrued warranty costs	110,086	111,729
Other	1,102,628	1,037,417
Total current liabilities	7,054,220	7,061,655
Long-term liabilities		
Bonds	1,493,159	1,447,634
Long-term borrowings	3,103,803	3,189,949
Lease obligations	20,398	17,906
Accrued warranty costs	128,394	127,147
Net defined benefit liability	369,346	372,385
Other	1,084,552	1,091,541
Total long-term liabilities	6,199,652	6,246,562
Total liabilities	13,253,872	13,308,217
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	817,464	817,514
Retained earnings	4,349,136	4,390,169
Treasury stock	(140,697)	(140,670)
Total shareholders' equity	5,631,717	5,672,827
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	57,778	56,056
Unrealized gain and loss from hedging instruments	7,154	5,541
Translation adjustments	(687,841)	(699,915)
Remeasurements of defined benefit plans	(133,016)	(133,545)
Other	(13,945)	(13,945)
Total accumulated other comprehensive income	(769,870)	(785,808)
Share subscription rights	391	317
Non-controlling interests	304,898	295,591
Total net assets	5,167,136	5,182,927
Total liabilities and net assets	18,421,008	18,491,144

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

The Three-Month Period Ended June 30

Quarterly Consolidated Statements of Income

	(in millions of yen)	
	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)
Net sales	2,654,499	2,760,436
Cost of sales	2,153,620	2,267,080
Gross profit	500,879	493,356
Selling, general and administrative expenses		
Advertising expenses	72,339	68,307
Provision for warranty costs	28,122	26,583
Other selling expenses	45,050	46,901
Salaries and wages	93,890	99,395
Provision for doubtful accounts	13,259	20,067
Other	72,389	78,786
Total selling, general and administrative expenses	325,049	340,039
Operating income	175,830	153,317
Non-operating income		
Interest income	4,483	4,457
Dividends income	7,144	6,583
Equity in earnings of affiliates	29,019	37,400
Derivative gain	75,727	—
Exchange gain	—	19,009
Miscellaneous income	2,718	1,848
Total non-operating income	119,091	69,297
Non-operating expenses		
Interest expense	3,459	3,635
Derivative loss	—	25,063
Exchange loss	88,514	—
Miscellaneous expenses	4,701	4,316
Total non-operating expenses	96,674	33,014
Ordinary income	198,247	189,600
Special gains		
Gain on sales of fixed assets	1,501	952
Other	473	182
Total special gains	1,974	1,134
Special losses		
Loss on sales of fixed assets	1,059	677
Loss on disposal of fixed assets	891	1,267
Other	342	2,700
Total special losses	2,292	4,644
Income before income taxes	197,929	186,090
Income taxes	54,460	45,774
Net income	143,469	140,316
Net income attributable to non-controlling interests	7,092	5,400
Net income attributable to owners of parent	136,377	134,916

Quarterly Consolidated Statements of Comprehensive Income

	(in millions of yen)	
	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)
Net income	143,469	140,316
Other comprehensive income		
Unrealized holding gain and loss on securities	(28,495)	(1,571)
Unrealized gain and loss from hedging instruments	(1,765)	(1,359)
Translation adjustments	(249,012)	(1,015)
Remeasurements of defined benefit plans	14,900	(1,103)
The amount for equity method company portion	(33,317)	(10,351)
Total other comprehensive income	(297,689)	(15,399)
Comprehensive income	(154,220)	124,917
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(146,284)	118,978
Comprehensive income attributable to non-controlling interests	(7,936)	5,939

(3) Quarterly Consolidated Statements of Cash Flows

	(in millions of yen)	
	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)
Cash flows from operating activities		
Income before income taxes	197,929	186,090
Depreciation and amortization (for fixed assets excluding leased vehicles)	97,223	91,786
Depreciation and amortization (for long term prepaid expenses)	6,277	6,349
Depreciation and amortization (for leased vehicles)	105,486	118,380
Increase (decrease) in allowance for doubtful accounts	2,552	965
Interest and dividends income	(11,627)	(11,040)
Interest expense	27,567	36,227
Equity in losses (earnings) of affiliates	(29,019)	(37,400)
Loss (gain) on sales of fixed assets	(442)	(275)
Loss on disposal of fixed assets	891	1,267
Decrease (increase) in trade notes and accounts receivable	220,563	226,084
Decrease (increase) in sales finance receivables	(105,823)	(165,167)
Decrease (increase) in inventories	(115,266)	(150,301)
Increase (decrease) in trade notes and accounts payable	(15,470)	(84,098)
Retirement benefit expenses	6,967	6,288
Payments related to net defined benefit assets and liabilities	(6,993)	(5,522)
Other	(10,135)	28,495
Subtotal	370,680	248,128
Interest and dividends received	8,301	9,330
Proceeds from dividends income from affiliates accounted for by equity method	14,206	20,014
Interest paid	(23,950)	(31,746)
Income taxes paid	(40,577)	(135,353)
Net cash provided by operating activities	328,660	110,373
Cash flows from investing activities		
Net decrease (increase) in short-term investments	55	115
Purchase of fixed assets	(134,754)	(107,985)
Proceeds from sales of fixed assets	20,098	11,404
Purchase of leased vehicles	(322,365)	(346,993)
Proceeds from sales of leased vehicles	133,754	148,079
Payments of long-term loans receivable	(54)	(95)
Collection of long-term loans receivable	57	146
Purchase of investment securities	(9,530)	(10,980)
Net decrease (increase) in restricted cash	16	11,198
Other	(3,016)	797
Net cash used in investing activities	(315,739)	(294,314)

	(in millions of yen)	
	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	58,263	246,881
Proceeds from long-term borrowings	454,426	289,968
Proceeds from issuance of bonds	163,402	32,952
Repayments of long-term borrowings	(357,281)	(335,411)
Redemption of bonds	(110,000)	(60,000)
Proceeds from non-controlling shareholders	1	—
Purchase of treasury stock	(106,562)	(1)
Proceeds from sales of treasury stock	—	12
Repayments of lease obligations	(4,710)	(8,121)
Cash dividends paid	(87,540)	(93,883)
Cash dividends paid to non-controlling interests	(1,369)	(634)
Net cash provided by financing activities	8,630	71,763
Effects of exchange rate changes on cash and cash equivalents	(55,384)	(4,441)
Decrease in cash and cash equivalents	(33,833)	(116,619)
Cash and cash equivalents at beginning of the period	992,095	1,241,124
Increase due to inclusion in consolidation	5,405	—
Cash and cash equivalents at end of the period	963,667	1,124,505

(4) Notes to Quarterly Consolidated Financial Statements

(Note to events and conditions which indicate there could be substantial doubt about going concern assumption)

None

(Note to significant changes in shareholders' equity)

None

(Adoption of specific accounting policies for quarterly consolidated financial statements)

Calculation of tax expense

Income taxes are determined based on the amount of income before income taxes for the current first quarter ended June 30, 2017 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the whole fiscal year ending March 31, 2018.

Deferred income taxes are included in the income taxes.

(Segment information)

【Current first quarter segment information】

[Net sales and profits or losses by reportable segments]

Prior First Quarter (From April 1, 2016 To June 30, 2016)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior First Quarter
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	2,426,148	228,351	2,654,499	—	2,654,499
Inter-segment sales or transfers	26,853	7,074	33,927	(33,927)	—
Total	2,453,001	235,425	2,688,426	(33,927)	2,654,499
Segment profits	115,484	52,886	168,370	7,460	175,830

Current First Quarter (From April 1, 2017 To June 30, 2017)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current First Quarter
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	2,497,960	262,476	2,760,436	—	2,760,436
Inter-segment sales or transfers	33,550	10,955	44,505	(44,505)	—
Total	2,531,510	273,431	2,804,941	(44,505)	2,760,436
Segment profits	90,400	54,846	145,246	8,071	153,317

Notes: 1. Main products of each business segment

- (1) Automobile: passenger cars, commercial vehicles, manufacturing parts for overseas production, etc.
- (2) Sales Financing: credit, lease, etc.

2. The accounting method for the reportable segments is same as basis of preparation for the quarterly consolidated financial statements. The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction.

[Consolidated Financial Statements by Business Segments]

* Regarding summarized quarterly consolidated statements of income and summarized quarterly consolidated statements of cash flows, the Sales Financing segment consists of Nissan Financial Services Co., Ltd. (Japan), Nissan Motor Acceptance Corporation (U.S.A.), NR Finance Mexico S.A. de C.V. SOFOM ER (Mexico), other 8 companies and the sales finance operations of Nissan Canada Inc. (Canada).

* The financial data on the Automobile & Eliminations represent the differences between the consolidated figures and those for the Sales Financing segment.

1) Summarized quarterly consolidated statements of income by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)
Net sales	2,419,074	2,487,005	235,425	273,431	2,654,499	2,760,436
Cost of sales	1,998,040	2,084,064	155,580	183,016	2,153,620	2,267,080
Gross profit	421,034	402,941	79,845	90,415	500,879	493,356
Operating income as a percentage of net sales	5.1%	4.0%	22.5%	20.1%	6.6%	5.6%
Operating income	122,944	98,471	52,886	54,846	175,830	153,317
Financial income / expenses, net	8,178	7,381	(10)	24	8,168	7,405
Other non-operating income and expenses, net	14,535	28,091	(286)	787	14,249	28,878
Ordinary income	145,657	133,943	52,590	55,657	198,247	189,600
Income before income taxes	145,105	130,235	52,824	55,855	197,929	186,090
Net income attributable to owners of parent	109,445	105,531	26,932	29,385	136,377	134,916

2) Summarized quarterly consolidated statements of cash flows by business segments

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)	Prior First Quarter (From April 1, 2016 To June 30, 2016)	Current First Quarter (From April 1, 2017 To June 30, 2017)
Cash flows from operating activities	359,262	218,796	(30,602)	(108,423)	328,660	110,373
Cash flows from investing activities	(129,944)	(106,201)	(185,795)	(188,113)	(315,739)	(294,314)
(Free Cash flow)	229,318	112,595	(216,397)	(296,536)	12,921	(183,941)
Cash flows from financing activities	(203,210)	(227,578)	211,840	299,341	8,630	71,763
Effects of exchange rate changes on cash and cash equivalents	(51,543)	(3,986)	(3,841)	(455)	(55,384)	(4,441)
Increase (decrease) in cash and cash equivalents	(25,435)	(118,969)	(8,398)	2,350	(33,833)	(116,619)
Cash and cash equivalents at beginning of the period	944,212	1,189,975	47,883	51,149	992,095	1,241,124
Increase due to inclusion in consolidation	5,405	—	—	—	5,405	—
Cash and cash equivalents at end of the period	924,182	1,071,006	39,485	53,499	963,667	1,124,505

[Net sales and profits or losses by region]

Prior First Quarter (From April 1, 2016 To June 30, 2016)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	436,058	1,371,133	379,462	239,420	228,426	2,654,499	—	2,654,499
(2) Inter-segment sales	547,098	104,103	64,809	141,681	2,954	860,645	(860,645)	—
Total	983,156	1,475,236	444,271	381,101	231,380	3,515,144	(860,645)	2,654,499
Operating income	67,972	79,388	8,878	22,868	6,025	185,131	(9,301)	175,830

Current First Quarter (From April 1, 2017 To June 30, 2017)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	494,663	1,499,185	335,013	224,374	207,201	2,760,436	—	2,760,436
(2) Inter-segment sales	604,499	103,318	86,252	129,590	2,565	926,224	(926,224)	—
Total	1,099,162	1,602,503	421,265	353,964	209,766	3,686,660	(926,224)	2,760,436
Operating income (loss)	95,194	50,811	(2,726)	17,493	(1,109)	159,663	(6,346)	153,317

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, Central and South America excluding Mexico and South Africa

[Information about geographical area]
(Net sales)

Prior First Quarter (From April 1, 2016 To June 30, 2016) (in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
350,958	1,347,995	1,097,462	392,353	304,691	258,502	2,654,499

Current First Quarter (From April 1, 2017 To June 30, 2017) (in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
414,415	1,466,077	1,187,583	350,282	286,902	242,760	2,760,436

- 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, Central and South America excluding Mexico, South Africa, etc.