



Financial Results for the Six Months Ended September 30, 2019 (Japanese Accounting Standards) (Consolidated)

November 12, 2019

Company name : Nissan Motor Co., Ltd. <Tokyo Stock Exchange in Japan>
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 Scheduled date of filing Shihanki-Houkokusho : November 14, 2019
 Scheduled date of payment of cash dividends : November 27, 2019
 The additional materials of the Financial Results for the Second Quarter : Yes
 The briefing session of the Financial Results for the Second Quarter : Yes

(Amounts less than one million yen are rounded)

1. Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 1, 2019 through September 30, 2019)

<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	%
Six Months Ended September 30, 2019	5,003,075	(9.6)	31,608	(85.0)	115,642	(64.9)	65,365	(73.5)
September 30, 2018	5,532,722	(2.1)	210,335	(25.4)	329,932	(10.7)	246,258	(10.9)

Note : Comprehensive income : (83,674) million yen for the six months ended September 30, 2019 , -%
 249,724 million yen for the six months ended September 30, 2018 , (24.2)%

	Basic earnings per share	Diluted earnings per share
Six Months Ended	yen	yen
September 30, 2019	16.70	16.70
September 30, 2018	62.97	62.97

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets
	Millions of yen	Millions of yen	%
FY2019 2nd quarter	18,052,901	5,452,232	28.2
FY2018	18,952,345	5,623,510	28.0

Reference: Net assets excluding share subscription rights and non-controlling interests: 5,095,456 million yen as of September 30, 2019,
 5,302,675 million yen as of March 31, 2019

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
FY2018	—	28.50	—	28.50	57.00
FY2019	—	10.00			
FY2019 forecast			—	—	—

Note : Changes in dividends forecast for FY2019 from the latest disclosure : Yes
 Year-End dividend and Full-Year dividend are undecided

3. Forecast of consolidated operating results for FY2019 (April 1, 2019 through March 31, 2020)

(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
FY2019	10,600,000	(8.4)	150,000	(52.9)	110,000	(65.5)	28.11

Note : Changes in forecast of consolidated operating results for FY2019 from the latest disclosure : Yes

※ 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 page10 "(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. : Applicable
- <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

Note: See attached page10 "(4) Notes to Quarterly Consolidated Financial Statements - (Changes in accounting policies) "

<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 six months ended September 30

FY2019 2nd quarter	4,220,715,112 shares	FY2018	4,220,715,112 shares
FY2019 2nd quarter	307,602,486 shares	FY2018	307,810,623 shares
FY2019 2nd quarter	3,913,019,075 shares	FY2018 2nd quarter	3,910,886,507 shares

※ This Quarterly Financial Results report is out of scope of review by certified public accountants or an audit firm**※ 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.

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Law (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Corporate Law (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violating the Financial Instruments and Exchange Law. The Company took this situation very seriously and formed a Special Committee for Improving Governance (SCIG) consisting of several independent third parties and independent Outside Directors of the Company. On March 27, 2019, Nissan's board of directors received a report from the SCIG that summarizes the committee's proposals for governance improvements and recommends a framework for the best governance as a foundation for Nissan business operations in the future. The Company has made the transition to a three statutory committee format.

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

A) Ghosn's personal use of the company's assets

The report confirms that Ghosn used the company's assets for personal benefit, including:

- purchase of residences for exclusive personal use in Beirut and Rio de Janeiro using roughly 27 million U.S. dollars in investment funds from Zi-A Capital, a Nissan subsidiary established under the guise of investing in promising technology start-ups, and further misuse of other company funds to purchase or rent additional residences for personal use;
- payment of sums totaling more than 750,000 U.S. dollars to Ghosn's sister on the basis of a fictitious consulting contract, starting in 2003 and extending for over 10 years with no evidence of any services having been rendered;
- personal use of the corporate jets by Ghosn and members of his family;
- improper use of expenses toward family vacations and gifts of a personal nature;
- instruction of donations totaling more than 2 million U.S. dollars of company funds to universities in Ghosn's ancestral home country of Lebanon with no legitimate business purpose;
- transfer to Nissan in 2008 of foreign exchange swap contracts bearing unrealized losses of roughly 1.85 billion yen, based on a deceptive explanation to the Company's board regarding the nature of the transaction (in 2009, the swap contracts were secretly transferred back to a company related to Ghosn after being flagged as improper by Japan's financial authorities);
- improper payments totaling roughly 7.8 million Euros to Ghosn from a joint venture established by Nissan and MITSUBISHI MOTORS CORPORATION, paid from April 2018 onward under the pretext of a salary and an employment contract with the joint venture, despite the fact that no contract had been approved by the joint venture's board of directors.

B) Improper payments of financial "incentives" to Nissan distributors instructed by Ghosn

Ghosn instructed a Nissan subsidiary to make payments totaling 14.7 million U.S. dollars to a distributor managed by an acquaintance outside Japan who had previously offered him personal financial support (a fact Ghosn withheld from Nissan's board of directors and the relevant departments within the company). Payments were made under the pretext of covering expenses for special business projects and were approved through Nissan's CEO Reserve, an emergency budget over which only Ghosn and a selected few direct subordinates had approval authority.

Ghosn also instructed a Nissan subsidiary to make payments totaling 32 million U.S. dollars to a distributor outside Japan, an employee of which transferred tens of millions of dollars to Ghosn and a company related to Ghosn (a fact Ghosn withheld from Nissan's board of directors and the relevant departments within the company). Payments were made under the pretext of granting financial incentives to the distributor in question and were approved through the CEO Reserve.

The Company have filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and have filed a lawsuit based on the order seeking damages, etc. Going forward, the Company will continue to take necessary measures based on the findings of the Company's internal investigation, including legal action to claim damages, in order to account for the responsibility of the former chairman and others.

The Nomination Committee has been active since June 25, 2019. On October 8, the appointment of new Representative Executive Officer President and Chief Executive Officer, new Representative Executive Officer Chief Operating Officer and new Executive Officer Vice-Chief Operating Officer have been decided by the Nomination Committee. As seen in the announcement of establishing a new management that allocates authorities among multiple executives, strengthening of supervisory function of internal audit, and so on, the Company is working on various countermeasures to prevent recurrence.

The Company continues to improve governance, reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.

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Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Second Quarter (As of September 30, 2019)
Assets		
Current assets		
Cash on hand and in banks	1,219,588	1,090,845
Trade notes and accounts receivable	512,164	478,196
Sales finance receivables	7,665,603	7,080,876
Securities	139,470	257,311
Merchandise and finished goods	827,289	917,529
Work in process	64,386	79,607
Raw materials and supplies	366,248	386,010
Other	945,449	723,181
Allowance for doubtful accounts	(127,092)	(123,054)
Total current assets	11,613,105	10,890,501
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	590,717	650,696
Machinery, equipment and vehicles, net	3,436,437	3,285,764
Land	595,776	591,651
Construction in progress	233,070	225,097
Other, net	449,698	415,814
Total property, plant and equipment	5,305,698	5,169,022
Intangible fixed assets	134,471	121,830
Investments and other assets		
Investment securities	1,338,875	1,300,231
Other	562,554	573,480
Allowance for doubtful accounts	(2,358)	(2,163)
Total investments and other assets	1,899,071	1,871,548
Total fixed assets	7,339,240	7,162,400
Total assets	18,952,345	18,052,901

(in millions of yen)

	Prior Fiscal Year (As of March 31, 2019)	Current Second Quarter (As of September 30, 2019)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,580,452	1,536,856
Short-term borrowings	850,995	851,010
Current portion of long-term borrowings	1,630,771	1,503,354
Commercial papers	697,549	769,429
Current portion of bonds	583,457	733,756
Lease obligations	19,846	33,124
Accrued expenses	1,183,888	1,018,177
Accrued warranty costs	116,492	108,068
Other	1,067,081	919,660
Total current liabilities	7,730,531	7,473,434
Long-term liabilities		
Bonds	1,691,844	1,359,211
Long-term borrowings	2,539,186	2,397,555
Lease obligations	16,038	82,399
Accrued warranty costs	116,425	108,699
Net defined benefit liability	378,967	362,478
Other	855,844	816,893
Total long-term liabilities	5,598,304	5,127,235
Total liabilities	13,328,835	12,600,669
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	814,682	818,307
Retained earnings	4,961,980	4,901,462
Treasury stock	(139,457)	(139,275)
Total shareholders' equity	6,243,019	6,186,308
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	30,004	14,718
Unrealized gain and loss from hedging instruments	4,762	(6,926)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(30,882)	(36,240)
Translation adjustments	(790,131)	(918,487)
Remeasurements of defined benefit plans	(154,097)	(143,917)
Total accumulated other comprehensive income	(940,344)	(1,090,852)
Non-controlling interests	320,835	356,776
Total net assets	5,623,510	5,452,232
Total liabilities and net assets	18,952,345	18,052,901

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

The Six-Month Period Ended September 30
Quarterly consolidated statements of income

	(in millions of yen)	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Net sales	5,532,722	5,003,075
Cost of sales	4,620,691	4,234,883
Gross profit	912,031	768,192
Selling, general and administrative expenses		
Advertising expenses	147,114	143,054
Provision for warranty costs	59,479	59,544
Other selling expenses	92,611	92,715
Salaries and wages	200,412	191,917
Retirement benefit expenses	9,200	10,520
Provision for doubtful accounts	26,755	44,503
Other	166,125	194,331
Total selling, general and administrative expenses	701,696	736,584
Operating income	210,335	31,608
Non-operating income		
Interest income	14,882	11,961
Dividends income	8,049	6,748
Equity in earnings of affiliates	113,219	84,266
Miscellaneous income	10,845	4,791
Total non-operating income	146,995	107,766
Non-operating expenses		
Interest expense	5,747	5,692
Derivative loss	3,639	573
Exchange loss	5,733	6,013
Credit liquidation costs	6,757	5,384
Miscellaneous expenses	5,522	6,070
Total non-operating expenses	27,398	23,732
Ordinary income	329,932	115,642
Special gains		
Gain on sales of fixed assets	10,223	6,818
Other	202	3,187
Total special gains	10,425	10,005
Special losses		
Loss on sales of fixed assets	424	3,237
Loss on disposal of fixed assets	4,414	6,141
Special addition to retirement benefits	4,721	6,129
Other	6,899	5,421
Total special losses	16,458	20,928
Income before income taxes	323,899	104,719
Income taxes	66,669	31,219
Net income	257,230	73,500
Net income attributable to non-controlling interests	10,972	8,135
Net income attributable to owners of parent	246,258	65,365

Quarterly consolidated statements of comprehensive income

	(in millions of yen)	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Net income	257,230	73,500
Other comprehensive income		
Unrealized holding gain and loss on securities	(20,550)	(12,495)
Unrealized gain and loss from hedging instruments	2,109	(11,381)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(18,508)	(5,408)
Translation adjustments	73,135	(112,522)
Remeasurements of defined benefit plans	(2,146)	12,533
The amount for equity method company portion	(41,546)	(27,901)
Total other comprehensive income	(7,506)	(157,174)
Comprehensive income	249,724	(83,674)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	241,316	(85,143)
Comprehensive income attributable to non-controlling interests	8,408	1,469

The Three-Month Period Ended September 30
Quarterly consolidated statements of income

	(in millions of yen)	
	Prior Second Quarter	Current Second Quarter
	(From July 1, 2018 To September 30, 2018)	(From July 1, 2019 To September 30, 2019)
Net sales	2,816,130	2,630,653
Cost of sales	2,347,111	2,199,482
Gross profit	469,019	431,171
Selling, general and administrative expenses		
Advertising expenses	75,491	70,523
Provision for warranty costs	27,274	31,925
Other selling expenses	50,168	50,736
Salaries and wages	104,222	100,890
Retirement benefit expenses	4,433	4,679
Provision for doubtful accounts	11,472	19,374
Other	94,768	123,045
Total selling, general and administrative expenses	367,828	401,172
Operating income	101,191	29,999
Non-operating income		
Interest income	7,585	6,167
Dividends income	23	38
Equity in earnings of affiliates	68,813	51,144
Derivative gain	—	1,778
Exchange gain	25,940	—
Miscellaneous income	3,919	4,439
Total non-operating income	106,280	63,566
Non-operating expenses		
Interest expense	2,598	2,857
Derivative loss	27,372	—
Exchange loss	—	5,585
Miscellaneous expenses	6,471	4,809
Total non-operating expenses	36,441	13,251
Ordinary income	171,030	80,314
Special gains		
Gain on sales of fixed assets	2,926	3,611
Other	64	3,009
Total special gains	2,990	6,620
Special losses		
Loss on sales of fixed assets	127	3,193
Loss on disposal of fixed assets	3,027	2,141
Loss on disaster	—	2,250
Other	7,374	1,506
Total special losses	10,528	9,090
Income before income taxes	163,492	77,844
Income taxes	27,720	14,584
Net income	135,772	63,260
Net income attributable to non-controlling interests	5,344	4,272
Net income attributable to owners of parent	130,428	58,988

Quarterly consolidated statements of comprehensive income

	(in millions of yen)	
	Prior Second Quarter	Current Second Quarter
	(From July 1, 2018 To September 30, 2018)	(From July 1, 2019 To September 30, 2019)
Net income	135,772	63,260
Other comprehensive income		
Unrealized holding gain and loss on securities	1,613	(7,063)
Unrealized gain and loss from hedging instruments	(882)	(3,915)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(18,508)	(11,126)
Translation adjustments	76,341	(51,793)
Remeasurements of defined benefit plans	(1,703)	4,910
The amount for equity method company portion	(17,199)	(31,420)
Total other comprehensive income	39,662	(100,407)
Comprehensive income	175,434	(37,147)
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	169,227	(35,254)
Comprehensive income attributable to non-controlling interests	6,207	(1,893)

(3) Quarterly Consolidated Statements of Cash Flows

	(in millions of yen)	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Cash flows from operating activities		
Income before income taxes	323,899	104,719
Depreciation and amortization (for fixed assets excluding leased vehicles)	190,377	187,357
Depreciation and amortization (for long term prepaid expenses)	13,984	22,099
Depreciation and amortization (for leased vehicles)	245,227	224,161
Increase (decrease) in allowance for doubtful accounts	(6,142)	(2,917)
Interest and dividends income	(22,931)	(18,709)
Interest expense	98,245	104,334
Equity in losses (earnings) of affiliates	(113,219)	(84,266)
Loss (gain) on sales of fixed assets	(9,799)	(3,581)
Loss on disposal of fixed assets	4,414	6,141
Decrease (increase) in trade notes and accounts receivable	249,928	25,044
Decrease (increase) in sales finance receivables	43,318	399,664
Decrease (increase) in inventories	(212,813)	(155,740)
Increase (decrease) in trade notes and accounts payable	(209,222)	(132,310)
Retirement benefit expenses	13,364	15,726
Payments related to net defined benefit assets and liabilities	(14,525)	(13,875)
Other	5,042	5,413
Subtotal	599,147	683,260
Interest and dividends received	26,218	17,158
Proceeds from dividends income from affiliates accounted for by equity method	70,613	81,339
Interest paid	(97,154)	(103,714)
Income taxes paid	(73,919)	(93,852)
Net cash provided by (used in) operating activities	524,905	584,191
Cash flows from investing activities		
Net decrease (increase) in short-term investments	295	269
Purchase of fixed assets	(199,714)	(244,080)
Proceeds from sales of fixed assets	23,824	27,448
Purchase of leased vehicles	(640,040)	(602,189)
Proceeds from sales of leased vehicles	355,426	379,898
Payments of long-term loans receivable	(214)	(260)
Collection of long-term loans receivable	164	541
Purchase of investment securities	(20,378)	(8,419)
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	—	1,746
Net decrease (increase) in restricted cash	73,228	148,499
Other	850	16
Net cash provided by (used in) investing activities	(406,559)	(296,531)

	(in millions of yen)	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	153,322	103,384
Proceeds from long-term borrowings	298,005	835,969
Proceeds from issuance of bonds	255,081	97,544
Repayments of long-term borrowings	(573,317)	(954,036)
Redemption of bonds	(111,177)	(231,906)
Proceeds from non-controlling shareholders	—	8,551
Purchase of treasury stock	(3)	(1)
Repayments of lease obligations	(15,016)	(17,686)
Cash dividends paid	(103,627)	(111,520)
Cash dividends paid to non-controlling interests	(14,912)	(16,098)
Proceeds from (payments for) changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	5,011
Net cash provided by (used in) financing activities	(111,644)	(280,788)
Effects of exchange rate changes on cash and cash equivalents	(7,664)	(23,825)
Increase (decrease) in cash and cash equivalents	(962)	(16,953)
Cash and cash equivalents at beginning of the period	1,206,000	1,359,058
Increase due to inclusion in consolidation	1,115	6,051
Cash and cash equivalents at end of the period	1,206,153	1,348,156

(4) Notes to Quarterly Consolidated Financial Statements

(Notes 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 second quarter ended September 30, 2019 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2020.

Deferred income taxes are included in income taxes.

(Changes in accounting policies)

1) International Financial Reporting Standards (IFRS) 16, “Leases” and Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, “Leases”

At foreign subsidiaries and affiliates, IFRS 16, “Leases” (January 13, 2016) and ASU 2016-02 “Leases” (February 25, 2016) have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, the Company generally recognizes all leases as a lessee as assets or liabilities on the consolidated balance sheet.

In adopting the accounting standards, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the six months ended September 30, 2019.

As a result, mainly, the balance of property, plant and equipment, lease obligations included in current liabilities, and lease obligations included in long-term liabilities at the beginning of the six months ended September 30, 2019 increased by ¥77,412 million, ¥12,319 million, and ¥72,158 million, respectively, while retained earnings decreased by ¥3,864 million.

The effects of these revisions on the quarterly consolidated statements of income for the six months and the three months ended September 30, 2019 are immaterial.

2) International Financial Reporting Interpretations Committee (IFRIC) 23, “Uncertainty over Income Tax Treatments”

At some foreign subsidiaries and affiliates, IFRIC 23 “Uncertainty over Income Tax Treatments” (June 7, 2017) has been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2020.

In line with this adoption, if the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the Company reflects the effect of uncertainty in income taxes.

In adopting the accounting standard, in accordance with the transitional treatment, the Company recognizes the cumulative effect of initially applying the accounting standards at the date of initial application as an adjustment to the balance of retained earnings at the beginning of the six months ended September 30, 2019.

As a result, the balance of retained earnings at the beginning of the six months ended September 30, 2019 decreased by ¥10,489 million. In addition, net income for the six months ended September 30, 2019 increased by ¥9,992 million, while net income for the three months ended September 30, 2019 decreased by ¥497 million due to this revision.

(Segment information)

【Current second quarter segment information】

〔Net sales and profits or losses by reportable segments〕

The Six-month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

	Reportable segments			Elimination of inter-segment transactions	(in millions of yen)
	Automobile	Sales Financing	Total		Six Months Ended September 30, 2018
Net sales					
Sales to third parties	4,962,465	570,257	5,532,722	—	5,532,722
Inter-segment sales or transfers	71,007	24,291	95,298	(95,298)	—
Total	5,033,472	594,548	5,628,020	(95,298)	5,532,722
Segment profits	65,667	129,408	195,075	15,260	210,335

Prior Second Quarter (From July 1, 2018 To September 30, 2018)

	Reportable segments			Elimination of inter-segment transactions	(in millions of yen)
	Automobile	Sales Financing	Total		Prior Second Quarter
Net sales					
Sales to third parties	2,527,664	288,466	2,816,130	—	2,816,130
Inter-segment sales or transfers	42,155	12,385	54,540	(54,540)	—
Total	2,569,819	300,851	2,870,670	(54,540)	2,816,130
Segment profits	27,675	66,269	93,944	7,247	101,191

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

The Six-month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six Months Ended September 30, 2019
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	4,442,237	560,838	5,003,075	—	5,003,075
Inter-segment sales or transfers	77,625	25,805	103,430	(103,430)	—
Total	4,519,862	586,643	5,106,505	(103,430)	5,003,075
Segment profits (loss)	(91,206)	118,018	26,812	4,796	31,608

Current Second Quarter (From July 1, 2019 To September 30, 2019)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current Second Quarter
	Automobile	Sales Financing	Total		
Net sales					
Sales to third parties	2,355,493	275,160	2,630,653	—	2,630,653
Inter-segment sales or transfers	39,325	13,011	52,336	(52,336)	—
Total	2,394,818	288,171	2,682,989	(52,336)	2,630,653
Segment profits (loss)	(33,769)	61,667	27,898	2,101	29,999

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

[Consolidated Financial Statements by Business Segments]

*Regarding summarized consolidated statements of income and summarized 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, E.R. (Mexico), other 10 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	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Net sales	4,938,174	4,416,432	594,548	586,643	5,532,722	5,003,075
Cost of sales	4,216,818	3,844,002	403,873	390,881	4,620,691	4,234,883
Gross profit	721,356	572,430	190,675	195,762	912,031	768,192
Operating income as a percentage of net sales	1.6%	(2.0%)	21.8%	20.1%	3.8%	0.6%
Operating income (loss)	80,927	(86,410)	129,408	118,018	210,335	31,608
Financial income / expenses, net	17,225	13,033	(41)	(16)	17,184	13,017
Other non-operating income and expenses, net	101,516	71,481	897	(464)	102,413	71,017
Ordinary income (loss)	199,668	(1,896)	130,264	117,538	329,932	115,642
Income (loss) before income taxes	193,349	(10,635)	130,550	115,354	323,899	104,719
Net income (loss) attributable to owners of parent	161,315	(16,579)	84,943	81,944	246,258	65,365

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

(in millions of yen)

	Automobile & Eliminations		Sales Financing		Consolidated total	
	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)	Six Months Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)	Six Months Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)
Cash flows from operating activities	242,666	(187,076)	282,239	771,267	524,905	584,191
Cash flows from investing activities	(279,056)	(227,837)	(127,503)	(68,694)	(406,559)	(296,531)
(Free Cash flow)	(36,390)	(414,913)	154,736	702,573	118,346	287,660
Cash flows from financing activities	59,005	409,118	(170,649)	(689,906)	(111,644)	(280,788)
Effects of exchange rate changes on cash and cash equivalents	(7,423)	(21,650)	(241)	(2,175)	(7,664)	(23,825)
Increase (decrease) in cash and cash equivalents	15,192	(27,445)	(16,154)	10,492	(962)	(16,953)
Cash and cash equivalents at beginning of the period	1,140,621	1,309,580	65,379	49,478	1,206,000	1,359,058
Increase due to inclusion in consolidation	1,115	6,051	—	—	1,115	6,051
Cash and cash equivalents at end of the period	1,156,928	1,288,186	49,225	59,970	1,206,153	1,348,156

[Net sales and profits or losses by region]

The Six-month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,111,796	2,643,265	747,189	504,359	526,113	5,532,722	—	5,532,722
(2) Inter-segment sales	1,151,669	253,590	146,186	263,706	13,722	1,828,873	(1,828,873)	—
Total	2,263,465	2,896,855	893,375	768,065	539,835	7,361,595	(1,828,873)	5,532,722
Operating income (loss)	114,014	85,434	(16,960)	29,550	80	212,118	(1,783)	210,335

Prior Second Quarter (From July 1, 2018 To September 30, 2018)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	588,989	1,335,309	373,986	259,681	258,165	2,816,130	—	2,816,130
(2) Inter-segment sales	567,590	125,490	71,404	133,647	9,293	907,424	(907,424)	—
Total	1,156,579	1,460,799	445,390	393,328	267,458	3,723,554	(907,424)	2,816,130
Operating income (loss)	56,378	35,962	(12,247)	11,724	221	92,038	9,153	101,191

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

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

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

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

The Six-month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,106,991	2,432,619	616,344	447,099	400,022	5,003,075	—	5,003,075
(2) Inter-segment sales	909,844	228,034	102,060	240,254	16,227	1,496,419	(1,496,419)	—
Total	2,016,835	2,660,653	718,404	687,353	416,249	6,499,494	(1,496,419)	5,003,075
Operating income (loss)	(8,648)	36,538	(21,438)	21,824	(3,994)	24,282	7,326	31,608

Current Second Quarter (From July 1, 2019 To September 30, 2019)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	589,546	1,265,917	312,486	226,902	235,802	2,630,653	—	2,630,653
(2) Inter-segment sales	469,597	115,179	57,134	128,116	11,371	781,397	(781,397)	—
Total	1,059,143	1,381,096	369,620	355,018	247,173	3,412,050	(781,397)	2,630,653
Operating income (loss)	(26,718)	35,850	(10,040)	11,179	1,126	11,397	18,602	29,999

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

[Information about geographical area]
(Net sales)

The Six-month Period Ended September 30, 2018 (From April 1, 2018 To September 30, 2018)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
908,929	2,575,303	2,096,151	780,261	660,258	607,971	5,532,722

Prior Second Quarter (From July 1, 2018 To September 30, 2018)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
479,470	1,297,798	1,052,180	391,505	339,406	307,951	2,816,130

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, and Central & South America excluding Mexico, etc.

The Six-month Period Ended September 30, 2019 (From April 1, 2019 To September 30, 2019)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
885,170	2,378,407	1,958,898	695,448	571,051	472,999	5,003,075

Current Second Quarter (From July 1, 2019 To September 30, 2019)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
472,282	1,240,740	1,000,988	350,708	287,004	279,919	2,630,653

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, and Central & South America excluding Mexico, etc.