



Financial Results for the Six Months Ended September 30, 2021 (Japanese Accounting Standards) (Consolidated)

November 9, 2021

Company name : Nissan Motor Co., Ltd. <Tokyo Stock Exchange in Japan>
 Code no : 7201 (URL <https://www.nissan-global.com/EN/IR/>)
 Representative : Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
 Contact person : Tsuyoshi Tatsumi, Corporate Vice President, IR Department Tel. (045) 523 - 5523
 Scheduled date of filing Shihanki-Houkokusho : November 11, 2021
 Scheduled date of payment of cash dividends : —
 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, 2021 (April 1, 2021 through September 30, 2021)

<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, 2021	3,946,997	27.6	139,131	—	184,527	—	168,646	—
September 30, 2020	3,092,687	(38.2)	(158,759)	—	(231,838)	—	(329,959)	—

Note : Comprehensive income : 240,995 million yen for the six months ended September 30, 2021 , —%
 (372,125) million yen for the six months ended September 30, 2020 , —%

	Basic earnings per share	Diluted earnings per share
Six Months Ended September 30, 2021	yen 43.09	yen 43.09
September 30, 2020	(84.33)	—

<2> Consolidated financial position

	Total assets	Net assets	Net assets as a percentage of total assets
	Millions of yen	Millions of yen	%
FY2021 2nd quarter	15,583,288	4,566,770	26.7
FY2020	16,452,068	4,339,826	24.0

Reference: Net assets excluding share subscription rights and non-controlling interests: 4,160,235 million yen as of September 30, 2021,
 3,944,593 million yen as of March 31, 2021

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
FY2020	—	0.00	—	0.00	0.00
FY2021	—	0.00	—	—	—
FY2021 forecast	—	—	—	—	—

Note : FY2021 dividends forecast has not yet been determined.

3. Forecast of consolidated operating results for FY2021 (April 1, 2021 through March 31, 2022)

(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
FY2021	8,800,000	11.9	180,000	—	180,000	—	45.99

Note: Changes in forecast of consolidated operating results for FY2021 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 page 10 "(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 page 10 "(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)

FY2021 2nd quarter	4,220,715,112 shares	FY2020	4,220,715,112 shares
FY2021 2nd quarter	306,440,244 shares	FY2020	306,650,569 shares
FY2021 2nd quarter	3,913,848,685 shares	FY2020 2nd quarter	3,912,576,424 shares

<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

※ 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.

For other remarks, please refer to "2. Other Information" on page 18.

【Table of Contents】

1. Quarterly Consolidated Financial Statements	2
(1) Quarterly consolidated balance sheet	2
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income ...	4
【Six month period ended September 30】	
【Three month period ended September 30】	
(3) Quarterly consolidated statement of cash flows	8
(4) Notes to quarterly consolidated financial statements	10
(Notes to events and conditions which indicate there could be substantial doubt about going concern assumption) ▪	10
(Note to significant changes in shareholders' equity)	10
(Adoption of specific accounting policies for quarterly consolidated financial statements)	10
(Changes in accounting policies)	10
(Additional information)	11
(Segment information)	12
2. Other Information	18

1. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(in millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current second quarter (As of September 30, 2021)
Assets		
Current assets		
Cash on hand and in banks	1,871,794	1,360,031
Trade notes and accounts receivable	518,451	—
Trade notes and accounts receivable, and contract assets	—	315,180
Sales finance receivables	6,213,797	5,875,105
Securities	162,232	172,764
Merchandise and finished goods	647,583	627,830
Work in process	66,171	86,732
Raw materials and supplies	425,817	603,943
Other	624,347	791,332
Allowance for doubtful accounts	(180,533)	(138,847)
Total current assets	10,349,659	9,694,070
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	590,016	589,754
Machinery, equipment and vehicles, net	2,704,640	2,609,473
Land	589,613	586,177
Construction in progress	228,101	142,238
Other, net	266,184	348,189
Total property, plant and equipment	4,378,554	4,275,831
Intangible fixed assets	121,221	113,826
Investments and other assets		
Investment securities	1,129,007	1,039,269
Other	470,167	459,517
Allowance for doubtful accounts	(3,764)	(6,015)
Total investments and other assets	1,595,410	1,492,771
Total fixed assets	6,095,185	5,882,428
Deferred assets		
Bond issuance costs	7,224	6,790
Total deferred assets	7,224	6,790
Total assets	16,452,068	15,583,288

(in millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current second quarter (As of September 30, 2021)
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,501,972	1,137,726
Short-term borrowings	1,016,504	875,879
Current portion of long-term borrowings	1,721,797	1,684,134
Commercial papers	6,749	79,791
Current portion of bonds	514,893	573,036
Lease obligations	43,542	37,108
Accrued expenses	1,034,305	847,222
Accrued warranty costs	101,624	94,302
Other	784,996	750,298
Total current liabilities	6,726,382	6,079,496
Long-term liabilities		
Bonds	2,046,620	2,105,555
Long-term borrowings	2,173,677	1,726,898
Lease obligations	75,450	67,138
Accrued warranty costs	102,303	99,225
Net defined benefit liability	257,521	247,890
Other	730,289	690,316
Total long-term liabilities	5,385,860	4,937,022
Total liabilities	12,112,242	11,016,518
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	817,071	816,886
Retained earnings	3,629,938	3,795,871
Treasury stock	(139,259)	(138,088)
Total shareholders' equity	4,913,564	5,080,483
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	61,902	2,682
Unrealized gain and loss from hedging instruments	(10,639)	(5,190)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(36,498)	(36,738)
Translation adjustments	(906,200)	(804,307)
Remeasurements of defined benefit plans	(77,536)	(76,695)
Total accumulated other comprehensive income	(968,971)	(920,248)
Non-controlling interests	395,233	406,535
Total net assets	4,339,826	4,566,770
Total liabilities and net assets	16,452,068	15,583,288

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Six month period ended September 30
Quarterly consolidated statement of income

	(in millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Net sales	3,092,687	3,946,997
Cost of sales	2,731,017	3,288,255
Gross profit	361,670	658,742
Selling, general and administrative expenses		
Advertising expenses	90,066	112,830
Provision for warranty costs	33,623	44,696
Other selling expenses	59,429	21,688
Salaries and wages	177,489	194,557
Retirement benefit expenses	8,287	3,881
Provision for doubtful accounts	17,240	(34,743)
Other	134,295	176,702
Total selling, general and administrative expenses	520,429	519,611
Operating income (loss)	(158,759)	139,131
Non-operating income		
Interest income	6,441	7,139
Dividends income	1,929	2,950
Equity in earnings of affiliates	—	63,101
Derivative gain	—	5,939
Exchange gain	23,773	—
Miscellaneous income	11,633	11,153
Total non-operating income	43,776	90,282
Non-operating expenses		
Interest expense	8,561	27,528
Equity in losses of affiliates	78,041	—
Derivative loss	19,279	—
Exchange loss	—	3,966
Miscellaneous expenses	10,974	13,392
Total non-operating expenses	116,855	44,886
Ordinary income (loss)	(231,838)	184,527
Special gains		
Gain on sales of fixed assets	10,767	8,425
Gain on sales of investment securities	—	76,115
Other	7,043	7,180
Total special gains	17,810	91,720
Special losses		
Loss on sales of fixed assets	443	2,862
Loss on disposal of fixed assets	2,637	3,414
Special addition to retirement benefits	53,985	4,240
Other	49,839	4,348
Total special losses	106,904	14,864
Income (loss) before income taxes	(320,932)	261,383
Income taxes	3,963	79,349
Net income (loss)	(324,895)	182,034
Net income attributable to non-controlling interests	5,064	13,388
Net income (loss) attributable to owners of parent	(329,959)	168,646

Quarterly consolidated statement of comprehensive income

	(in millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Net income (loss)	(324,895)	182,034
Other comprehensive income		
Unrealized holding gain and loss on securities	33,862	(59,919)
Unrealized gain and loss from hedging instruments	773	5,071
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(22)	(234)
Translation adjustments	(30,378)	70,493
Remeasurements of defined benefit plans	(11,694)	(2,327)
The amount related to equity method companies	(39,771)	45,877
Total other comprehensive income	(47,230)	58,961
Comprehensive income	(372,125)	240,995
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(374,361)	217,322
Comprehensive income attributable to non-controlling interests	2,236	23,673

Three month period ended September 30
Quarterly consolidated statement of income

	(in millions of yen)	
	Prior second quarter	Current second quarter
	(From July 1, 2020 To September 30, 2020)	(From July 1, 2021 To September 30, 2021)
Net sales	1,918,493	1,938,750
Cost of sales	1,655,443	1,611,995
Gross profit	263,050	326,755
Selling, general and administrative expenses		
Advertising expenses	58,962	56,628
Provision for warranty costs	19,530	19,552
Other selling expenses	19,315	15,427
Salaries and wages	86,808	98,896
Retirement benefit expenses	4,181	2,136
Provision for doubtful accounts	1,228	(25,106)
Other	77,859	95,773
Total selling, general and administrative expenses	267,883	263,306
Operating income (loss)	(4,833)	63,449
Non-operating income		
Interest income	2,557	4,070
Dividends income	1,812	21
Equity in earnings of affiliates	6,614	44,817
Derivative gain	301	8,100
Miscellaneous income	4,059	5,789
Total non-operating income	15,343	62,797
Non-operating expenses		
Interest expense	5,590	13,440
Exchange loss	1,148	9,752
Miscellaneous expenses	3,330	8,814
Total non-operating expenses	10,068	32,006
Ordinary income	442	94,240
Special gains		
Gain on sales of fixed assets	8,222	3,416
Other	872	86
Total special gains	9,094	3,502
Special losses		
Loss on sales of fixed assets	75	1,368
Loss on disposal of fixed assets	1,768	2,271
Special addition to retirement benefits	13,900	1,674
Other	10,126	1,585
Total special losses	25,869	6,898
Income (loss) before income taxes	(16,333)	90,844
Income taxes	24,266	30,514
Net income (loss)	(40,599)	60,330
Net income attributable to non-controlling interests	3,771	6,215
Net income (loss) attributable to owners of parent	(44,370)	54,115

Quarterly consolidated statement of comprehensive income

	(in millions of yen)	
	Prior second quarter	Current second quarter
	(From July 1, 2020 To September 30, 2020)	(From July 1, 2021 To September 30, 2021)
Net income (loss)	(40,599)	60,330
Other comprehensive income		
Unrealized holding gain and loss on securities	14,846	262
Unrealized gain and loss from hedging instruments	1,594	1,165
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(712)	(430)
Translation adjustments	(21,507)	3,969
Remeasurements of defined benefit plans	(16,189)	(907)
The amount related to equity method companies	1,717	13,303
Total other comprehensive income	(20,251)	17,362
Comprehensive income	(60,850)	77,692
(Breakdown of comprehensive income)		
Comprehensive income attributable to owners of parent	(63,994)	69,563
Comprehensive income attributable to non-controlling interests	3,144	8,129

(3) Quarterly consolidated statement of cash flows

	(in millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Cash flows from operating activities		
Income (loss) before income taxes	(320,932)	261,383
Depreciation and amortization (for fixed assets excluding leased vehicles)	123,189	143,053
Depreciation and amortization (for long term prepaid expenses)	26,045	19,932
Depreciation and amortization (for leased vehicles)	215,664	181,123
Increase (decrease) in allowance for doubtful accounts	(13,605)	(41,000)
Interest and dividends income	(8,370)	(10,089)
Interest expense	84,474	89,475
Equity in losses (earnings) of affiliates	78,041	(63,101)
Loss (gain) on sales of fixed assets	(10,324)	(5,563)
Loss on disposal of fixed assets	2,637	3,414
Loss (gain) on sales of investment securities	—	(76,115)
Decrease (increase) in trade notes and accounts receivable	(28,373)	—
Decrease (increase) in trade notes and accounts receivable, and contract assets	—	203,852
Decrease (increase) in sales finance receivables	737,372	398,978
Decrease (increase) in inventories	241,692	(76,774)
Increase (decrease) in trade notes and accounts payable	(337,978)	(546,850)
Retirement benefit expenses	18,876	(5,822)
Payments related to net defined benefit assets and liabilities	(13,880)	(12,440)
Other	(29,505)	(48,631)
Subtotal	765,023	414,825
Interest and dividends received	11,008	9,974
Proceeds from dividends income from affiliates accounted for by equity method	47,105	37,777
Interest paid	(84,030)	(92,307)
Income taxes paid	(8,218)	(55,079)
Net cash provided by (used in) operating activities	730,888	315,190
Cash flows from investing activities		
Net decrease (increase) in short-term investments	(268)	2,098
Purchase of fixed assets	(201,348)	(172,584)
Proceeds from sales of fixed assets	30,183	17,498
Purchase of leased vehicles	(366,413)	(456,250)
Proceeds from sales of leased vehicles	326,474	373,545
Payments of long-term loans receivable	(51)	(39)
Collection of long-term loans receivable	193	96
Purchase of investment securities	(24)	(6,504)
Proceeds from sales of investment securities	674	150,491
Proceeds from sales of subsidiaries resulting in change in scope of consolidation	—	154
Net decrease (increase) in restricted cash	(78,075)	(220,522)
Other	(693)	2,205
Net cash provided by (used in) investing activities	(289,348)	(309,812)

	(in millions of yen)	
	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(733,399)	(94,077)
Proceeds from long-term borrowings	1,248,539	505,401
Proceeds from issuance of bonds	1,175,363	337,901
Repayments of long-term borrowings	(864,938)	(1,001,294)
Redemption of bonds	(389,660)	(255,171)
Proceeds from non-controlling shareholders	2,877	—
Purchase of treasury stock	—	(1)
Repayments of lease obligations	(24,152)	(23,335)
Cash dividends paid to non-controlling interests	(14,454)	(13,798)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(964)	—
Net cash provided by (used in) financing activities	399,212	(544,374)
Effects of exchange rate changes on cash and cash equivalents	(4,670)	32,411
Increase (decrease) in cash and cash equivalents	836,082	(506,585)
Cash and cash equivalents at beginning of the period	1,642,981	2,034,026
Increase due to inclusion in consolidation	—	5,354
Cash and cash equivalents at the end of the period	2,479,063	1,532,795

(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, 2021 multiplied by the effective tax rate, after adoption of tax-effect accounting, estimated for the entire fiscal year ending March 31, 2022.

Deferred income taxes are included in income taxes.

(Changes in accounting policies)

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

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

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

As a result, for the six months ended September 30, 2021, net sales and cost of sales decreased by ¥6,746 million and ¥11,693 million, respectively, and income before income taxes increased by ¥4,851 million. For the current second quarter, net sales and cost of sales decreased by ¥19,145 million and ¥18,387 million, respectively, and income before income taxes decreased by ¥820 million. In addition, the balance of retained earnings at the beginning of the six months ended September 30, 2021 decreased by ¥8,828 million.

As a result of the adoption of the Revenue Recognition Standard, "Trade notes and accounts receivable" which was presented in "Current assets" of the consolidated balance sheet for the previous fiscal year, is included in "Trade notes and accounts receivable, and contract assets" from the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Article 89-2 of the Revenue Recognition Standard, consolidated financial statements for past periods have not been reclassified using the new presentation method.

(2) Accounting Standards Board of Japan (ASBJ) Statement No. 30 “*Accounting Standard for Fair Value Measurement*” “*Accounting Standard for Fair Value Measurement*” (ASBJ Statement No. 30, July 4, 2019) and other standards have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2022, and in accordance with the transitional treatment set forth in Article 19 of “*Accounting Standard for Fair Value Measurement*” and Article 44-2 of “*Accounting Standard for Financial Instruments*” (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by “*Accounting Standard for Fair Value Measurement*” and other standards into the future. The effects of this adoption on the quarterly consolidated financial statements are immaterial.

(Additional information)

(1) Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and some of its domestic subsidiaries have adopted “*Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System*” (PITF No. 39, March 31, 2020) and deferred tax assets and liabilities are based on tax law provisions in place prior to the revision prescribing transition from the consolidated taxation system to the group tax sharing system (Act No. 8 of 2020).

(2) Litigation for damages related to vehicle distribution agreement dispute

On July 4, 2019, Al Dahana filed a lawsuit against the Company, its consolidated subsidiary, Nissan Middle East FZE and its equity-method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in relation to a vehicle distribution agreement dispute.

On September 29, 2021, the Dubai Court of First Instance ruled that the Company and Nissan Middle East FZE must pay AED 1,159,777,806.50 plus interest.

Although the Company maintains that it has fully complied with its contractual obligations and has filed an appeal against this court judgment, the Company has recorded the amount of judgement plus interest totaling to ¥38,758 million under "Selling, general and administrative expenses" considering the ruling.

(Segment information)

【Current second quarter segment information】

[Net sales and profits or losses by reportable segments]

Six month period ended September 30, 2020 (From April 1, 2020 To September 30, 2020)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six months ended September 30, 2020
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	2,592,889	499,798	3,092,687	—	3,092,687
Inter-segment sales or transfers	57,713	21,273	78,986	(78,986)	—
Total	2,650,602	521,071	3,171,673	(78,986)	3,092,687
Segment profits (loss)	(304,378)	136,632	(167,746)	8,987	(158,759)

Prior second quarter (From July 1, 2020 To September 30, 2020)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Prior second quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	1,673,131	245,362	1,918,493	—	1,918,493
Inter-segment sales or transfers	32,875	11,838	44,713	(44,713)	—
Total	1,706,006	257,200	1,963,206	(44,713)	1,918,493
Segment profits (loss)	(82,353)	73,587	(8,766)	3,933	(4,833)

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.

Six month period ended September 30, 2021 (From April 1, 2021 To September 30, 2021)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Six months ended September 30, 2021
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	3,431,494	515,503	3,946,997	—	3,946,997
Inter-segment sales or transfers	31,150	16,402	47,552	(47,552)	—
Total	3,462,644	531,905	3,994,549	(47,552)	3,946,997
Segment profits (loss)	(90,212)	215,703	125,491	13,640	139,131

Current second quarter (From July 1, 2021 To September 30, 2021)

(in millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Current second quarter
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	1,685,969	252,781	1,938,750	—	1,938,750
Inter-segment sales or transfers	12,616	8,049	20,665	(20,665)	—
Total	1,698,585	260,830	1,959,415	(20,665)	1,938,750
Segment profits (loss)	(62,134)	118,004	55,870	7,579	63,449

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 quarterly consolidated statements of income and summarized quarterly consolidated statements of cash flows for the prior fiscal year, 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. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 10 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

*Regarding summarized quarterly consolidated statements of income and summarized quarterly consolidated statements of cash flows for the current fiscal year, the Sales financing segment consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), 10 other companies and the sales finance operations of Nissan Canada, Inc. (Canada).

*The financial data in 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, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Net sales	2,571,616	3,415,092	521,071	531,905	3,092,687	3,946,997
Cost of sales	2,393,849	2,950,609	337,168	337,646	2,731,017	3,288,255
Gross profit	177,767	464,483	183,903	194,259	361,670	658,742
Operating income as a percentage of net sales	(11.5%)	(2.2%)	26.2%	40.6%	(5.1%)	3.5%
Operating income (loss)	(295,391)	(76,572)	136,632	215,703	(158,759)	139,131
Financial income / expenses, net	(258)	(17,436)	67	(3)	(191)	(17,439)
Other non-operating income and expenses, net	(73,402)	56,055	514	6,780	(72,888)	62,835
Ordinary income (loss)	(369,051)	(37,953)	137,213	222,480	(231,838)	184,527
Income (loss) before income taxes	(460,413)	34,078	139,481	227,305	(320,932)	261,383
Net income (loss) attributable to owners of parent	(422,541)	20,811	92,582	147,835	(329,959)	168,646

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, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)	Six months ended September 30, 2020 (From April 1, 2020 To September 30, 2020)	Six months ended September 30, 2021 (From April 1, 2021 To September 30, 2021)
Cash flows from operating activities	(324,374)	(340,228)	1,055,262	655,418	730,888	315,190
Cash flows from investing activities	(180,294)	(8,813)	(109,054)	(300,999)	(289,348)	(309,812)
(Free Cash flow)	(504,668)	(349,041)	946,208	354,419	441,540	5,378
Cash flows from financing activities	1,342,230	(185,802)	(943,018)	(358,572)	399,212	(544,374)
Effects of exchange rate changes on cash and cash equivalents	(11,478)	30,401	6,808	2,010	(4,670)	32,411
Increase (decrease) in cash and cash equivalents	826,084	(504,442)	9,998	(2,143)	836,082	(506,585)
Cash and cash equivalents at beginning of the period	1,494,550	1,896,134	148,431	137,892	1,642,981	2,034,026
Increase due to inclusion in consolidation	—	5,354	—	—	—	5,354
Cash and cash equivalents at the end of the period	2,320,634	1,397,046	158,429	135,749	2,479,063	1,532,795

[Net sales and profits or losses by region]

Six month period ended September 30, 2020 (From April 1, 2020 To September 30, 2020)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	811,110	1,425,237	342,513	325,918	187,909	3,092,687	—	3,092,687
(2) Inter-segment sales	402,686	113,949	60,413	143,192	3,398	723,638	(723,638)	—
Total	1,213,796	1,539,186	402,926	469,110	191,307	3,816,325	(723,638)	3,092,687
Operating income (loss)	(169,659)	19,087	(23,054)	20,404	(10,119)	(163,341)	4,582	(158,759)

Prior second quarter (From July 1, 2020 To September 30, 2020)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	471,245	886,208	249,022	186,808	125,210	1,918,493	—	1,918,493
(2) Inter-segment sales	269,424	79,311	46,769	78,440	2,093	476,037	(476,037)	—
Total	740,669	965,519	295,791	265,248	127,303	2,394,530	(476,037)	1,918,493
Operating income (loss)	(46,358)	44,881	(5,643)	12,618	(5,399)	99	(4,932)	(4,833)

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

Six month period ended September 30, 2021 (From April 1, 2021 To September 30, 2021)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	858,398	1,851,063	435,728	392,802	409,006	3,946,997	—	3,946,997
(2) Inter-segment sales	672,067	158,313	79,429	234,127	8,173	1,152,109	(1,152,109)	—
Total	1,530,465	2,009,376	515,157	626,929	417,179	5,099,106	(1,152,109)	3,946,997
Operating income (loss)	(92,421)	186,796	(24,292)	39,192	23,494	132,769	6,362	139,131

Current second quarter (From July 1, 2021 To September 30, 2021)

(in millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	441,982	861,264	233,838	192,969	208,697	1,938,750	—	1,938,750
(2) Inter-segment sales	335,547	78,892	37,439	114,607	2,563	569,048	(569,048)	—
Total	777,529	940,156	271,277	307,576	211,260	2,507,798	(569,048)	1,938,750
Operating income (loss)	(42,215)	76,976	(5,247)	18,555	12,453	60,522	2,927	63,449

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 areas]

(Net sales)

Six month period ended September 30, 2020 (From April 1, 2020 To September 30, 2020)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
667,752	1,410,061	1,157,107	385,612	419,241	210,021	3,092,687

Prior second quarter (From July 1, 2020 To September 30, 2020)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
388,469	875,303	710,687	274,281	240,518	139,922	1,918,493

Notes: 1. Regions represent customers' location.

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

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

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

Six month period ended September 30, 2021 (From April 1, 2021 To September 30, 2021)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
731,118	1,786,079	1,417,425	485,635	468,646	475,519	3,946,997

Current second quarter (From July 1, 2021 To September 30, 2021)

(in millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
372,500	827,067	649,636	259,554	238,038	241,591	1,938,750

Notes: 1. Regions represent customers' location.

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

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

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

2. Other Information

The former Representative Directors of the Company were indicted on suspicion of violating the Financial Instruments and Exchange Act (charged with submitting false Securities Reports) and a former Representative Director and Chairman was additionally indicted on suspicion of violating the Companies Act (charged with aggravated breach of trust). In conjunction with these indictments, the Company itself was indicted on suspicion of violating the Financial Instruments and Exchange Act. The Company took this situation very seriously and formed a Special Committee for Improving Governance (SCIG) consisting of several independent third parties and independent Outside Directors of the Company. 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 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 Nissan-Mitsubishi B.V. ("NMBV"), which is a joint venture established by Nissan and MITSUBISHI MOTORS CORPORATION, paid from April 2018 onward under the pretext of a salary and an employment contract with NMBV, despite the fact that no contract had been approved by the NMBV's board of directors.

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

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

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

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

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

The Company has filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and has filed a lawsuit based on the order seeking damages, etc. Also, on February 12, 2020, the Company has filed a lawsuit against Carlos Ghosn in Japan, seeking recovery of damages. Going forward, the Company will continue to take necessary measures based on the findings of the Company’s internal investigation, including legal action to claim damages, in order to account for the responsibility of the former chairman and others.

The Company has received a written notice of commencement of trial procedures dated December 13, 2019, from the Commissioner of the FSA. In response to this written notice, on December 23, 2019, the Company has submitted a written answer not disputing the alleged facts and the amount of the administrative monetary penalty. After that, the Company has received the administrative monetary penalty payment order, dated February 27, 2020, of 2,424,895,000 yen from the Commissioner of the FSA. In accordance with the administrative monetary penalty payment order and payment notice, the Company has made the penalty payment of 1,406,250,000 yen, which became due.

In December 2019, new management has been established, whose members have been selected by the Nomination Committee. As demonstrated by the establishment of new management, strengthening of the supervisory function of internal audit, and so on, the Company is working on various countermeasures to prevent recurrence.

The Company continues its efforts to improve its governance, including ongoing implementation of the improvement measures stated in the Improvement Measures Status Report submitted to Tokyo Stock Exchange on January 16, 2020, as well as reviewing necessary improvements from time to time going forward. The Company also continues to reform its corporate culture, renew corporate ethics, disclose corporate information appropriately and enhance compliance-focused management.