Financial Information as of March 31, 2023

(The English translation of the
“Yukashoken-Houkokusho” for
the year ended March 31, 2023)

Nissan Motor Co., Ltd.

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【Document Submitted】	Securities Report (“Yukashoken-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 30, 2023
【Business Year】	124th Fiscal Year (From April 1, 2022 to March 31, 2023)
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
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【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

Part I Information on the Company

1. Overview of the Company

1. Key financial data and trends

(1) Consolidated financial data

Fiscal year		120th	121st	122nd	123rd	124th
Year ended		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Net sales	(Millions of yen)	11,574,247	9,878,866	7,862,572	8,424,585	10,596,695
Ordinary income (loss)	(Millions of yen)	546,498	44,049	(221,230)	306,117	515,443
Net income (loss) attributable to owners of parent	(Millions of yen)	319,138	(671,216)	(448,697)	215,533	221,900
Comprehensive income	(Millions of yen)	195,999	(1,084,147)	(41,928)	689,621	606,837
Net assets	(Millions of yen)	5,623,510	4,424,773	4,339,826	5,029,584	5,615,140
Total assets	(Millions of yen)	18,952,345	16,976,709	16,452,068	16,371,481	17,598,581
Net assets per share	(Yen)	1,355.18	1,038.95	1,007.80	1,170.17	1,310.74
Basic earnings (loss) per share	(Yen)	81.59	(171.54)	(114.67)	55.07	56.67
Diluted earnings per share	(Yen)	81.59	—	—	55.07	56.67
Net assets as a percentage of total assets	(%)	28.0	23.9	24.0	28.0	29.2
Rate of return on equity	(%)	6.0	(14.3)	(11.2)	5.1	4.6
Price earnings ratio	(Times)	11.13	—	—	9.95	8.84
Cash flows from operating activities	(Millions of yen)	1,450,888	1,185,854	1,322,789	847,187	1,221,051
Cash flows from investing activities	(Millions of yen)	(1,133,547)	(708,687)	(369,121)	(146,835)	(447,041)
Cash flows from financing activities	(Millions of yen)	(127,140)	(155,494)	(639,692)	(1,092,645)	(670,607)
Cash and cash equivalents at end of the period	(Millions of yen)	1,359,058	1,642,981	2,034,026	1,792,692	2,014,387
Employees ( ) represents the average number of part-time employees not included in the above numbers	(Number)	138,893 (19,240) 140,564 (19,619)	136,134 (17,597) 137,799 (18,012)	131,461 (16,092) 132,324 (16,235)	134,111 (15,743) 134,114 (15,743)	131,719 (15,397) 131,722 (15,397)

Notes: 1. "*Accounting Standard for Revenue Recognition*" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the 123rd fiscal year. Key financial data, etc., concerning the 123rd fiscal year onward is presented as figures after the adoption of these accounting standards, etc.

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

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

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

(2) Non-consolidated financial data

Fiscal year		120th	121st	122nd	123rd	124th
Year ended		March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023
Net sales	(Millions of yen)	3,644,483	3,157,540	2,489,676	2,409,348	3,240,618
Ordinary income (loss)	(Millions of yen)	271,869	26,571	99,034	(208,445)	324,336
Net income (loss)	(Millions of yen)	168,552	(342,745)	(72,629)	(114,387)	268,296
Common stock	(Millions of yen)	605,813	605,813	605,813	605,813	605,813
Number of shares issued	(Thousands)	4,220,715	4,220,715	4,220,715	4,220,715	4,220,715
Net assets	(Millions of yen)	2,505,945	1,958,610	1,967,322	1,797,360	2,018,121
Total assets	(Millions of yen)	5,124,037	4,854,023	5,705,547	5,074,658	5,696,856
Net assets per share	(Yen)	597.75	467.19	469.27	428.61	481.01
Cash dividends per share (Interim cash dividends included herein)	(Yen) (Yen)	57 (28.5)	10 (10)	— (—)	5 (—)	10 (—)
Basic earnings (loss) per share	(Yen)	40.21	(81.76)	(17.32)	(27.28)	63.96
Diluted earnings per share	(Yen)	40.21	—	—	—	—
Net assets as a percentage of total assets	(%)	48.9	40.4	34.5	35.4	35.4
Rate of return on equity	(%)	6.7	(15.4)	(3.7)	(6.1)	14.1
Price earnings ratio	(Times)	22.59	—	—	—	7.83
Cash dividends as a percentage of net income	(%)	141.8	—	—	—	15.6
Employees ( ) represents the average number of part-time employees not included in the above numbers	(Number)	22,791 (5,349)	22,717 (5,148)	22,825 (4,944)	23,166 (4,372)	23,525 (4,643)
Total shareholder return (Comparative index: Dividend-included TOPIX)	(%) (%)	87.4 (95.0)	38.4 (85.9)	61.9 (122.1)	56.1 (124.6)	52.8 (131.8)
Highest stock price	(Yen)	1,157.5	966.0	664.5	654.3	577.6
Lowest stock price	(Yen)	835.5	356.2	311.2	436.5	408.1

Notes: 1. "*Accounting Standard for Revenue Recognition*" (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the 123rd fiscal year. Key financial data, etc., concerning the 123rd fiscal year onward is presented as figures after the adoption of these accounting standards, etc.

2. Diluted earnings per share for the 121st fiscal year, the 122nd fiscal year and the 123rd fiscal year is not presented because a net loss per share was recorded and the Company had no securities with dilutive effects. Diluted earnings per share for the 124th fiscal year is not presented because the Company had no securities with dilutive effects.

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

4. Highest stock price and lowest stock price were those recorded on the First Section of the Tokyo Stock Exchange until April 3, 2022, and those recorded on the Prime Market of the Tokyo Stock Exchange on April 4, 2022 and onwards.

2. History

December 1933	Jidosha Seizo Co., Ltd., predecessor of Nissan Motor Co., Ltd. was established with invested capital of ¥10 million in Takaracho, Kanagawa-ku, Yokohama-shi, through the joint capital investment of Nippon Sangyo K.K. and Tobata Imono K.K.
May 1934	Construction of the Yokohama Plant was completed.
June 1934	The Company changed its name to Nissan Motor Co., Ltd.
April 1935	First vehicle was manufactured off the production line through the integrated production at the Yokohama Plant.
August 1943	Construction of the Fuji Plant (formerly the Yoshiwara Plant) was completed.
September 1944	The head office was moved to Nihonbashi, Tokyo, and the Company changed its name to Nissan Heavy Industries, Ltd.
January 1946	The headquarters moved to Takaracho, Kanagawa-ku, Yokohama-shi.
August 1949	The Company changed its name to Nissan Motor Co., Ltd.
January 1951	The Company's stock was listed on the Tokyo Stock Exchange.
May 1951	The Company acquired an interest in Shin-Nikkoku Kogyo Co., Ltd. (currently Nissan Shatai Co., Ltd.; a consolidated subsidiary).
May 1958	Exportation of passenger cars to the United States of America was commenced.
September 1960	Nissan Motor Corporation in U.S.A. was established.
September 1961	Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), a joint venture with Marubeni-Iida Co., Ltd. (currently Marubeni Corporation) was established in Mexico City, Mexico.
March 1962	Construction of the Oppama Plant was completed.
March 1965	The Company acquired an interest in AICHI MACHINE INDUSTRY CO., LTD. (currently a consolidated subsidiary).
May 1965	Construction of the Zama Plant was completed.
August 1966	The Company merged Prince Motor Company and, accordingly, the Murayama Plant and others became a part of the Company.
July 1967	Construction of the Honmoku Wharf (a base for exporting) was completed.
January 1968	The headquarters moved to the Company's new building in the Ginza area of Tokyo.
March 1971	Construction of the Tochigi Plant was completed.
October 1973	Construction of the Sagamihara Parts Center was completed.
June 1977	Construction of the Kyushu Plant was completed.
January 1980	The Company acquired an interest in Motor Iberica, S.A. (currently NISSAN MOTOR IBERICA SA; a consolidated subsidiary) in Spain.
July 1980	Nissan Motor Manufacturing Corporation U.S.A. was established.
November 1981	The Nissan Technical Center was completed.
November 1981	Nissan Motor Acceptance Corporation (currently Nissan Motor Acceptance Company LLC; a consolidated subsidiary) was established.
November 1982	Construction of the Aguascalientes plant of Nissan Mexicana, S.A. de C.V. was completed.
February 1984	Nissan Motor Manufacturing (UK) Ltd. (currently a consolidated subsidiary) was established.
November 1984	Construction of the Oppama Wharf was completed.
April 1989	Nissan Europe N. V. was established in the Netherlands.
January 1990	Former Nissan North America, Inc. was established in the United States of America.
May 1991	Construction of Kanda Wharf was completed.
January 1994	Construction of the Iwaki Plant was completed.
April 1994	The business in the North America region was reorganized and Nissan North America, Inc. (currently a consolidated subsidiary) was newly established.
October 1994	The Company established Nissan Middle East F.Z.E. (currently a consolidated subsidiary), a regional headquarter in Middle East.
March 1995	Production of vehicles was discontinued at the Zama Plant.
December 1998	Nissan North America, Inc. merged with Nissan Motor Corporation in U.S.A.
March 1999	The Company and Renault (currently an affiliate accounted for by the equity method) signed an agreement for a global alliance in automobile business, including equity participation.

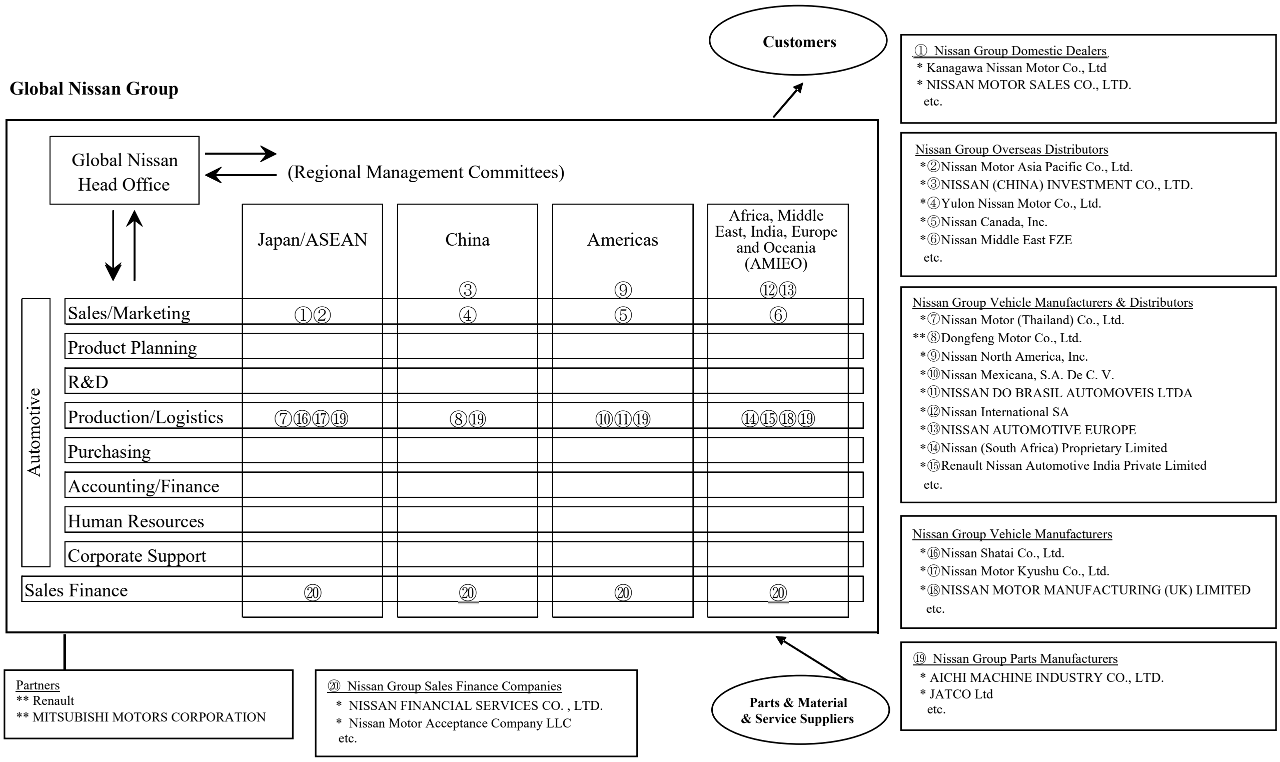
July 1999	The Company sold its business related to the Fuji Plant to TransTechnology Ltd., which merged with JATCO CORPORATION into JATCO TransTechnology Ltd. (currently JATCO Ltd, a consolidated subsidiary).
April 2000	Nissan North America, Inc. merged with Nissan Motor Manufacturing Corporation U.S.A.
March 2001	Production of vehicles was discontinued at the Murayama Plant.
March 2002	Renault increased its stake in the Company to 44.4%.
March 2002	The Company acquired an interest in Renault through Nissan Finance Co., Ltd. (currently a consolidated subsidiary).
March 2002	The Company established Renault-Nissan B.V., a management organization with Renault.
August 2002	Nissan Europe S.A.S. (currently NISSAN AUTOMOTIVE EUROPE; a consolidated subsidiary) was established to reorganize business in Europe.
March 2003	The Company liquidated Nissan Europe N.V.
May 2003	Nissan North America, Inc. established a new plant in Canton, Mississippi.
July 2003	Dongfeng Motor Co., Ltd. (currently an affiliate accounted for by the equity method) commenced its operations in China.
April 2004	The Company made Siam Nissan Automobile (currently Nissan Motor (Thailand) Co., Ltd., a consolidated subsidiary) into a subsidiary through underwriting of third-party allocation of new shares.
May 2004	A plant of Dongfeng Motor Co., Ltd., was completed in Huadu, China.
January 2005	The Company made Calsonic Kansei Corporation into a subsidiary through underwriting of third-party allocation of new shares.
December 2007	Renault Nissan Automotive India Private Limited (currently a consolidated subsidiary) was established.
January 2008	Nissan International SA (currently a consolidated subsidiary) began managing sales and manufacturing operations in Europe.
August 2009	The Global Headquarters moved to Yokohama.
April 2010	The Company entered into an agreement with Renault and Daimler AG on a strategic cooperative relationship including equity participation.
July 2011	The Company established Nissan Motor Asia Pacific Co., Ltd. (currently a consolidated subsidiary), a regional headquarter in ASEAN.
August 2011	Nissan Motor Kyushu Co., Ltd. (currently a consolidated subsidiary) was incorporated from the Kyushu Plant of the Company as its parent organization.
November 2013	Construction of the second plant of Nissan Mexicana, S.A. de C.V. (currently a consolidated subsidiary), was completed in Aguascalientes, Mexico.
April 2014	Construction of a plant of Nissan Do Brasil Automóveis Ltda. (currently a consolidated subsidiary) was completed in Resende, Brazil.
May 2014	Construction of the second plant of PT. Nissan Motor Indonesia (currently a consolidated subsidiary) was completed in Purwakarta, Indonesia.
May 2016	The Company entered into an agreement with MITSUBISHI MOTORS CORPORATION on a strategic cooperative relationship including equity participation.
October 2016	The Company acquired an interest in MITSUBISHI MOTORS CORPORATION (currently an affiliate accounted for by the equity method) through underwriting of third-party allocation of new shares.
March 2017	The tender offer for the shares of Calsonic Kansei Corporation came into effect and all Calsonic Kansei Corporation's shares held by the Company were sold to CK Holdings Co., Ltd.
June 2017	The Company established Nissan-Mitsubishi B.V. (currently an affiliate accounted for by the equity method), a joint venture company with MITSUBISHI MOTORS CORPORATION.
July 2018	Construction of the Santa Isabel Plant of Nissan Argentina S.A. (currently a consolidated subsidiary) was completed.
June 2019	Transition to a company with three statutory committees
October 2021	Transferred managing sales operation in Europe from Nissan International SA to NISSAN AUTOMOTIVE EUROPE.
April 2022	The Company's stock was shifted from the First Section of the Tokyo Stock Exchange to its Prime Market due to the revision of the exchange's market classification.

3. Description of business

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

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

The Group’s structure is summarized as follows:



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

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

4. Information on subsidiaries and affiliates

(1) Consolidated subsidiaries

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number	Millions of yen		
#☆ Nissan Shatai Co., Ltd.	Hiratsuka-shi, Kanagawa	7,905	Manufacturing and selling automobiles and parts	50.01	—	3	—	—	None	Manufacturing products on behalf of NML	Mutually leasing land and buildings with NML
Nissan Motor Kyushu Co., Ltd.	Kanda-machi, Miyako-gun, Fukuoka	10	Entrusted manufacturing automobiles and parts	100.00	—	1	2	2	None	Manufacturing products on behalf of NML	Leasing of land, buildings and production facilities, etc., owned by NML
AICHI MACHINE INDUSTRY CO.,LTD.	Atsuta-ku, Nagoya-shi	8,518	Manufacturing and selling automotive parts	100.00	—	3	1	—	None	Selling automotive parts to NML	None
JATCO Ltd	Fuji-shi, Shizuoka	29,935	Manufacturing and selling automotive parts	74.96	—	6	—	—	None	Selling automotive parts to NML	Leasing of land, buildings and production facilities owned by NML
NISSAN KOHKI CO., LTD.	Samukawa-machi, Koza-gun, Kanagawa	2,020	Manufacturing and selling automotive parts	97.73	—	5	—	—	None	Selling automotive parts to NML	None
NISSAN GROUP FINANCE CO., LTD.	Nishi-ku, Yokohama-shi	90	Finance to group companies	100.00	(100.00)	—	5	—	None	Extending loans to NML's domestic subsidiaries	Leasing of buildings owned by NML
Nissan Trading Co., Ltd.	Totsuka-ku, Yokohama-shi	320	Importing, exporting and selling automobiles, parts and other	100.00	—	3	1	—	None	Importing automotive parts on behalf of NML	None
# NISSAN FINANCIAL SERVICES CO., LTD.	Mihama-ku, Chiba-shi	16,388	Financing retail and wholesale of automobiles and automobile leases	100.00	—	2	2	1	None	Providing loans and other for sales finance services for vehicles manufactured by the Company	Leasing company vehicles to NML
NISSAN MOTORSPORTS& CUSTOMIZING CO., LTD.	Chigasaki-shi, Kanagawa	480	Developing, manufacturing and selling limited edition automobiles and motorsports	100.00	—	3	4	—	None	Purchasing products manufactured by NML	Leasing of land and buildings owned by NML
NISSAN NETWORK HOLDINGS COMPANY LIMITED	Nishi-ku, Yokohama-shi	90	Business management of the domestic sales network, as well as selling, purchasing, leasing and entrusted management of real estate	100.00	(7.68)	2	3	—	None	Leasing and entrusted management of real estate	Leasing land and buildings for employees' welfare facilities to NML

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
		Millions of yen		%	%	Number	Number	Number	Millions of yen		
NISSAN FINANCE CO., LTD.	Nishi-ku, Yokohama-shi	2,491	Finance to group companies	100.00	—	—	5	—	189,000 funded as working capital	Lending for the group loan provided for domestic subsidiaries	None
Kanagawa Nissan Motor Co., Ltd	Nishi-ku, Yokohama-shi	90	Selling automobiles and parts	100.00	(100.00)	3	1	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR SALES CO.,LTD.	Minato-ku, Tokyo	480	Selling automobiles and parts	100.00	—	2	1	2	None	Purchasing products manufactured by NML	None
Nissan Buhin Chuo Hanbai Co., Ltd.	Ota-ku, Tokyo	545	Selling parts for automobile repairs	84.05	(37.81)	6	1	—	None	Purchasing parts for repairs from NML	None
Nissan Car Rental Solutions Co., Ltd.	Nishi-ku, Yokohama-shi	90	Car rentals	100.00	(100.00)	1	2	1	None	Purchasing automobiles for car rental business from NML	None
Other domestic consolidated subsidiaries		81 companies									
Total domestic consolidated subsidiaries		96 companies									

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
☆ NISSAN AUTOMOTIVE EUROPE	Montigny-le-Bretonneux, Yvelines, France	Millions of Euro 1,626	Holding company for European subsidiaries, pan-European operational support and management of European sales	100.00	(48.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan International Holding B.V.	Amsterdam, The Netherlands	Millions of Euro 1,932	Holding company for subsidiaries	100.00	—	—	1	—	154,845 funded as working capital	None	None
NISSAN WEST EUROPE	Voisins-le-Bretonneux, Yvelines, France	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR (GB) LIMITED	Rickmansworth, Hertfordshire, United Kingdom	Millions of £ stg. 136	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ NISSAN HOLDINGS (UK) LIMITED	Sunderland, Tyne & Wear, United Kingdom	Millions of Euro 871	Holding company for British subsidiaries	100.00	(100.00)	—	—	—	None	None	None
NISSAN ITALIA S.R.L.	Rome, Italy	Millions of Euro 6	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN MOTOR MANUFACTURING (UK) LIMITED	Sunderland, Tyne & Wear, United Kingdom	Millions of £ stg. 250	Manufacturing and selling automobiles and parts, as well as vehicle development, technical survey, evaluation and certification in Europe	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan International SA	Rolle, Vaud, Switzerland	Millions of Euro 37	Managing manufacturing operations in Europe	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
NISSAN IBERIA, S.A.	Barcelona, Spain	Millions of Euro 12	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆◎ Nissan North America, Inc.	Franklin, Tennessee, U.S.A.	Millions of US$ 0	Managing subsidiaries in North America and manufacturing and selling automobiles and parts	100.00	—	—	3	—	360,531 funded as working capital	Purchasing products manufactured by NML	None
☆ Nissan Motor Acceptance Company LLC	Franklin, Tennessee, U.S.A.	Millions of US$ 0	Financing retail and wholesale of automobiles and automobile leases	100.00	(100.00)	—	2	—	148,664 funded as working capital	Providing loans and other for sales finance services for vehicles manufactured by the Company	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. (“NML”)					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
Nissan Global Reinsurance, Ltd.	Hamilton, Bermuda	Thousands of US$ 120	Casualty insurance	100.00	(100.00)	—	1	—	None	Providing casualty insurance	None
Nissan Canada, Inc.	Mississauga, Ontario, Canada	Millions of Can$ 81	Selling automobiles and parts, financing retail and wholesale of automobiles and automobile leases	100.00	(9.09)	—	—	—	None	Purchasing products manufactured by NML	None
☆ Nissan Mexicana, S.A. de C.V.	Mexico, Mexico	Millions of MXPeso 17,049	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
☆ NISSAN DO BRASIL AUTOMOVEIS LTDA	Rio de Janeiro, Brazil	Millions of BRL 7,115	Manufacturing and selling automobiles and parts	100.00	(99.00)	—	—	4	5,815 funded as working capital	Purchasing products manufactured by NML	None
Nissan Motor Co. (Australia) Pty. Ltd.	Mulgrave, Victoria, Australia	Millions of A$ 290	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Motor Egypt S.A.E.	6th of October City, Giza, Egypt	Millions of EG£ (LE) 3,544	Manufacturing and selling automobiles and parts	100.00	(0.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan (South Africa) Proprietary Limited	Rosslyn, South Africa	Millions of Rand 3	Manufacturing and selling automobiles and parts	100.00	(100.00)	—	—	—	14,003 funded as working capital	Purchasing products manufactured by NML	None
Nissan New Zealand Limited	Auckland, New Zealand	Millions of NZ$ 51	Selling automobiles and parts	100.00	—	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Middle East FZE	Dubai, UAE	Millions of Dh. 2	Managing operation in Middle East and selling automobiles and parts	100.00	—	—	1	—	None	Purchasing products manufactured by NML	None
Nissan Motor India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 18,900	Selling automobiles and parts	100.00	(100.00)	1	—	—	None	Purchasing products manufactured by NML	None
☆ Renault Nissan Automotive India Private Limited	Oragadam, Kanchipuram District, India	Millions of INR 57,732	Manufacturing and selling automobiles and parts	70.00	(45.00)	—	—	—	None	Purchasing products manufactured by NML	None
◇ PT Nissan Motor Indonesia	Kota Bukit Indah, Purwakarta, Indonesia	Millions of IDR 2,592,390	Selling automobiles	75.00	—	—	—	1	21,107 funded as working capital	Purchasing products manufactured by NML	None
Nissan Motor (Thailand) Co., Ltd.	Bangsaothong, Samutpraken, Thailand	Millions of THB 1,944	Manufacturing and selling automobiles and parts	75.00	(75.00)	—	—	3	None	Purchasing products manufactured by NML and selling finished cars to NML	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
※ Yulon Nissan Motor Co., Ltd.	Miaoli, Republic of China	Millions of TWD 3,000	Selling automobiles and parts	40.00	—	—	2	2	None	Purchasing products manufactured by NML	None
☆ NISSAN (CHINA) INVESTMENT CO., LTD.	Beijing, China	Millions of CNY 8,476	Managing business in China and selling automobiles and parts	100.00	—	—	3	—	None	Purchasing products manufactured by NML	None
Nissan Motor Asia Pacific Co., Ltd.	Bangsaothong, Samutprakarn, Thailand	Millions of THB 409	Operational support and selling automobiles and parts	100.00	—	—	2	2	None	Purchasing products manufactured by NML	None
Nissan Chile SpA	Santiago, Chile	Millions of CLP 38,153	Selling automobiles and parts	100.00	—	—	1	—	5,366 funded as working capital	Purchasing products manufactured by NML	None
Nissan Otomotiv Anonim Sirketi	Istanbul, Turkey	Millions of TRY 419	Selling automobiles and parts	100.00	(100.00)	—	—	—	None	Purchasing products manufactured by NML	None
Nissan Argentina S. A.	City of Buenos Aires, Argentine	Millions of ARS 26,594	Manufacturing and selling automobiles and parts	100.00	(98.00)	—	—	—	None	Purchasing products manufactured by NML	None
Other foreign consolidated subsidiaries		113 companies									
Total foreign consolidated subsidiaries		143 companies									
Total consolidated subsidiaries		239 companies									

(2) Affiliates accounted for by the equity method

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
# NISSAN TOKYO SALES HOLDINGS CO., LTD.	Shinagawa-ku, Tokyo	Millions of yen 13,752	Selling automobiles and parts	34.04	(34.04)	1	1	—	None	Purchasing products manufactured by NML	None
# (Note 6) Renault S.A.	Boulogne, Billancourt, France	Millions of Euro 1,127	Manufacturing and selling automobiles and parts	15.19	(15.19)	—	2	—	None	Mutual production and joint development of vehicles and parts	None
Dongfeng Motor Co., Ltd.	Wuhan, Hubei, China	Millions of CNY 16,700	Manufacturing and selling automobiles and parts	50.00	(50.00)	—	4	—	None	Purchasing products manufactured by NML	None

Name of company	Location	Capital	Description of principal business	Percentage of voting rights		Relationship with Nissan Motor Co., Ltd. ("NML")					
						Concurrent positions/offices held by directors			Loans	Business transactions	Leasing of fixed assets
				Percentage	(Indirect holdings)	Transferred	Concurrent	Dispatched			
				%	%	Number	Number	Number	Millions of yen		
# MITSUBISHI MOTORS CORPORATION	Minato-ku, Tokyo	Millions of yen 284,382	Manufacturing and selling automobiles and parts	34.01	—	—	3	—	None	Mutual production and joint development of vehicles and parts	Mutually leasing land, buildings and production facilities with NML
Other affiliates accounted for by the equity method	35 companies										
Total affiliates accounted for by the equity method	39 companies										

Notes: 1. Companies marked ☆ are specified subsidiaries.
2. Companies marked ＃ submit their securities registration statements or securities reports.
3. Net sales (excluding intercompany sales within the Group) of the company marked ◎ (Nissan North America, Inc.) exceeded 10% of consolidated net sales for the year ended March 31, 2023. Therefore, the key financial data for Nissan North America, which consolidates the financial data for its 20 subsidiaries and affiliates, are shown below. For those companies that have not prepared their stand-alone financial statements as of the filing date of this Securities Report, the key financial data is based on the financial information of the companies that the Company obtained to prepare the consolidated financial statements.

(1) Net sales	¥4,701,126 million
(2) Ordinary income	¥538,668 million
(3) Net income	¥143,476 million
(4) Net assets	¥1,050,343 million
(5) Total assets	¥6,249,691 million

4. Although the percentage of their voting rights held directly and indirectly by NML is equal to, or less than, 50%, the companies marked ※ have been consolidated because they are substantially controlled by NML.
5. Companies marked with ◇ are subsidiaries for which liabilities exceed total assets. At the end of fiscal year ended March 31, 2023, the amount by which liabilities exceeded assets was ¥19,720 million for PT Nissan Motor Indonesia. For foreign consolidated subsidiaries that have not prepared their stand-alone financial statements as of the filing date of this Securities Report, the amount by which liabilities exceeded assets is based on the financial information of the companies that the Company obtained to prepare the consolidated financial statements.
6. Although the exercise of voting rights of the shares in Renault directly and indirectly held by the Company is restricted in accordance with the Commercial Code of France, the Restated Alliance Master Agreement (the "RAMA") between the Company and Renault remains effective, and two members of the current board of directors of Renault were appointed based on the nomination by the Company.
On March 12, 2019, a memorandum of understanding was executed among the Company, Renault, and Mitsubishi Motors Corporation. In accordance with this memorandum of understanding, the Alliance Operating Board was created and has been functioning as a body overseeing the operations and governance of the Alliance. The important matters concerning the Alliance are discussed at the Alliance Operating Board, and these matters have a significant influence on each company's operation.
Considering the above, the Company accounts for its investment in Renault by the equity method as the Company continues to exercise significant influence over Renault's financial and operating policies. Also, Renault is treated as other associated company because it holds 43.7% of the voting rights of the Company.

5. Employees

(1) Consolidated group companies

(As of March 31, 2023)

Geographical segment	Number of employees	
Japan	60,423	(14,550)
North America	37,745	(182)
(the United States of America included therein)	16,910	(1)
Europe	10,037	(274)
Asia	17,649	(57)
Other overseas countries	5,865	(334)
Total	131,719	(15,397)

Notes:1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2023, and are not included in the number of full-time employees.

2. The number of employees engaged in sales finance business was 4,752 (186).

(2) The Company

(As of March 31, 2023)

Number of employees	Average age (Years)	Average years of service (Years)	Average annual salary (Yen)
23,525 (4,643)	41.7	16.4	8,509,353

Notes:1. The number of employees presented above represents full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2023, and are not included in the number of full-time employees.

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

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

(3) Trade union

Most of the Company's employees are affiliated with the NISSAN MOTOR WORKERS' UNION, for which the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS, and the Japanese Trade Union Confederation (RENGO) through the CONFEDERATION OF JAPAN AUTOMOBILE WORKERS' UNIONS. The labor-management relations of the Company are stable, and the number of union members was 26,434 including those of Nissan Motor Kyushu Co., Ltd. as of March 31, 2023.

At most domestic Group companies, employees are affiliated with their respective trade unions on a company basis, and the governing body is the ALL NISSAN AND GENERAL WORKERS UNIONS.

At foreign Group companies, employees' rights to select their own trade unions are respected according to the relevant labor laws and labor environment in each country.

(4) Female manager ratio, ratio of male employees taking childcare leave, and male and female average pay difference

1) The Company

Current fiscal year				
Female manager ratio (%) (Note 1)	Ratio of male employees taking childcare leave (%) (Note 2)	Male and female average pay difference (%) (Note 3)		
		All employees	Regular employees	Non-regular employees
10.4	42.3	81.9	78.0	88.1

Notes: 1. Calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Secondees are counted as employees of the hosting company.

2. Calculated pursuant to the provisions of the Act on the Welfare of Workers who Take Care of Children or other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991). The figure shows the ratio of male employees who take childcare leave set forth in Article 71-4, Item 1 of the Ordinance for Enforcement of the said Act (Ministry of Labor Ordinance No. 25 of 1991). Secondees are counted as employees of the hosting company.

3. Calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Secondees are counted as employees of the home company. It shows the ratio of the average pay of female employees to that of male employees, calculated by dividing the total amount paid, including salaries, allowances, and bonuses, by the number of employees. Although there is a gap in average pay per person due to differences in the management composition of male and female employees, there is no difference in treatment between male and female employees in pay.

2) Major Consolidated subsidiaries (In Japan)

Current fiscal year					
Company name	Female manager ratio (%) (Note 1)	Ratio of male employees taking childcare leave (%) (Note 2)	Male and female average pay difference (%) (Note 4)		
			All employees	Regular employees	Non-regular employees
Nissan Shatai Co., Ltd.	4.2	52.4	80.0	78.6	89.1
Nissan Motor Kyushu Co., Ltd.	—	4.2	75.8	70.1	103.1
AICHI MACHINE INDUSTRY CO.,LTD.	1.1	44.0	74.4	67.0	103.6
JATCO Ltd	4.7	16.5	75.8	74.4	79.6
NISSAN KOHKI CO., LTD.	—	54.5	67.2	73.3	49.7
Nissan Trading Co., Ltd.	15.6	50.0	64.0	66.5	42.4
NISSAN FINANCIAL SERVICES CO., LTD.	7.6	22.2	71.8	66.4	83.2
NISSAN MOTORSPORTS& CUSTOMIZING CO., LTD.	6.7	50.0	74.2	76.0	54.9
Kanagawa Nissan Motor Co., Ltd	2.6	—	70.5	69.9	64.2
NISSAN MOTOR SALES CO.,LTD.	2.7	40.0	78.3	75.4	51.2
Nissan Buhin Chuo Hanbai Co., Ltd.	—	(Note 3)	75.6	72.3	75.6
Nissan Car Rental Solutions Co., Ltd.	2.0	40.0	100.1	69.4	98.3

Notes: 1. Calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Secondees are counted as employees of the hosting company.

2. Calculated pursuant to the provisions of the Act on the Welfare of Workers who Take Care of Children or other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991). The figure shows the ratio of male employees who take childcare leave set forth in Article 71-4, Item 1 of the Ordinance for Enforcement of the said Act (Ministry of Labor Ordinance No. 25 of 1991). Secondees are counted as employees of the hosting company.

3. Indicates that there are no employees under this category.

4. Calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Secondees are counted as employees of the home company. It shows the ratio of the average pay of female employees to that of male employees, calculated by dividing the total amount paid, including salaries, allowances, and bonuses, by the number of employees. Although there is a gap in average pay per person due to differences in the management composition of male and female employees, there is no difference in treatment between male and female employees in pay.

5. Relevant figures regarding consolidated subsidiaries other than major consolidated subsidiaries are described in 7. Reference Information on the Company, 2. Other reference information, (2) Female manager ratio, ratio of male employees taking childcare leave, and male and female average pay difference.

2. Business Overview

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

(1) Management policy and business strategies

The Group defined its corporate purpose as "Driving Innovation to Enrich People's Lives". This stated clearly the Company's raison d'etre, the question of why we exist and the role we play for the society, based on "Enriching People's Lives" that has been a Nissan's corporate vision for years, keeping the founder's spirit of "Do what others don't dare to do". Meanwhile, the Group will strengthen its relationships with suppliers and dealers and work with them to bolster our business model.

As it develops as a company through its full range of global activities, Nissan seeks to not only create economic value but also contribute solutions to society as a leading global automaker. Nissan is committed to all stakeholders—including customers, shareholders, employees and the communities where it does business—and to delivering valuable and sustainable mobility for all. Furthermore, we pursue the realization of a zero-emission, zero-fatality society by actively contributing to the sustainable development of society. To be specific, the Group has set the goal to achieve carbon neutrality across the Company's operations and the life cycle of its products by 2050.

To achieve this goal, the Company announced on November 29, 2021, a long-term vision, Nissan Ambition 2030. In this vision, Nissan established the message of "Empowering Mobility and Beyond" and aimed to deliver the value propositions of "Empowering journeys" and "Empowering Society". To achieve this, the Company will drive innovation in the following fields.

<Accelerating electrified mobility with diverse choices and experiences>
Electrification is placed at the core of the Company's long-term strategy. To further accelerate its electrification efforts in response to the growing needs of customers for exciting and diverse electrified vehicles and changes in the business environment, Nissan revised the target of newly introduced electrified vehicles to 27 models, including 19 new EVs, by fiscal year 2030. As a result, the electrification mix across the Nissan and INFINITI brands is projected to increase to more than 55% globally, up from the previous forecast of 50%, by 2030. This will increase the global sales mix of electrified vehicles from the previously planned 40% to over 44% by fiscal year 2026. To address the rapid market changes in China, Nissan plans to launch an EV designed specifically for the market in 2024. In Europe, Nissan will continue with its robust electrification plans and also explore stronger collaboration with the Alliance.

<Increasing accessibility and innovation in mobility>
Nissan will continue to develop its lithium-ion battery technology and introduce cobalt-free technology to reduce the cost per 1kWh by 65% by fiscal year 2028. The Company aims to launch an EV with its proprietary all-solid-state batteries (ASSB) by fiscal year 2028 and establish a pilot plant in Yokohama as early as fiscal year 2024. With the introduction of the breakthrough ASSB, Nissan will expand its EV offerings across segments and offer enhanced dynamic performance.
In addition, the Company seeks to establish a global battery supply system to meet the growing customer vehicle demand and support the growing number of EVs in use. Furthermore, by delivering advanced driving assistance and intelligence technologies, Nissan aims to achieve a world of zero fatality/zero deaths in traffic incidents and evolve and diversify means of transportation. Nissan aims to expand ProPILOT technology to over 2.5 million Nissan and INFINITI vehicles by fiscal year 2026.

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

Deeper collaboration with Alliance members is also one of the essential factors to achieve our long-term vision. On January 27, 2022, the Company, Renault and MITSUBISHI MOTORS CORPORATION announced "Alliance 2030", which is the common projects and roadmaps. In this plan, the Alliance announced key initiatives such as investment of more than 23 billion Euros in the next five years, enhanced usage of common platforms, and reinforcement on common battery strategy for securing a global 220 GWh production capacity. In addition, the Alliance announced a new initiative aimed at elevating the Renault-Nissan-Mitsubishi Alliance on February 6, 2023. This extensive program will renew and strengthen the twenty-four-year partnership and create a new agile spirit and harness the pioneering technologies of all three Alliance members. This program will create further growth opportunities and secure operating efficiencies for all Alliance partners to innovate and transform in the fast-changing market for automotive and mobility services. New Initiatives aimed at maximizing value for all Alliance stakeholders are as follows.

<High-value-creation operational projects in Latin America, India and Europe>

The Alliance announced new projects in Latin America, India and Europe that aim to deliver win-win solutions, scale and benefits for the Alliance members in three areas: markets, vehicles, and technologies. In Latin America, a new pickup for Argentina and A-segment electric vehicles are being considered as alliance project with Renault group. In India, A-segment electric vehicles and new SUVs are also being considered. In Europe, FlexEvan, which benefits Software-Defined Vehicle technology, will be launched in 2026, and next-generation C-segment electric vehicles are being considered from 2026 onwards.

Each company will benefit from these projects in the mid-term while realizing short-term benefits through cost sharing and cost avoidance.

<Enhanced strategic agility with new initiatives that partners can join>

The Alliance members agreed to explore their existing strategies in electrification and low-emission technologies by investing and collaborating in respective member-company projects that could provide incremental value to each individual business. These strategic initiatives are designed to complement the business plans of member companies, including Nissan Ambition 2030 and Renaulution, as each business leverages commonality and investment opportunities to deliver on their respective goals for sustainable growth and targets for decarbonization.

<A rebalanced Renault Group-Nissan cross-shareholding and reinforced Alliance governance>

While previous Alliance agreements enabled the Alliance members to execute their respective strategies over the last twenty-four years, a new approach is required to enable the Alliance members to prepare for future opportunities. Therefore, the Renault Group and Nissan, the founding-members of the Alliance, have agreed to rebalance their cross-shareholding and governance terms to ensure effectiveness and maximize value creation in February 2023. A binding framework agreement defines the principles of a new governance structure and rebalancing of the cross-shareholdings between the Renault Group and Nissan.

The Group announced on May 28, 2020, a four-year plan, Nissan NEXT, to achieve sustainable growth, financial stability and profitability by the end of fiscal-year 2023. Nissan aims to achieve a 5% operating profit margin and a sustainable global market share of 6% by the end of fiscal year 2023, including proportionate contributions from its 50% equity joint venture in China. Our transformation plan aims to ensure steady growth instead of excessive sales expansion. We are now concentrating on our core competencies and enhancing the quality of our business, while maintaining financial discipline and focusing on net revenue per unit to achieve profitability. This coincides with the restoration of a culture defined by “Nissan-ness” for a new era and achieve the Nissan NEXT objectives. As a result, Nissan is continuously focused on improving quality of business, enhancing product competitiveness and increasing profitability.

Nissan must deliver value for customers around the world. To do this, we must make breakthroughs in the products, technologies and markets where we are competitive. This is Nissan’s DNA. In this new era, Nissan remains people-focused, to deliver technologies for all people and to continue addressing challenges as only Nissan can.

(2) FY2022 business environment and major Key Performance Indicators

In addition to the continued pandemic and semiconductor shortage, geopolitical risks escalated with the Russia-Ukraine conflict. Exchange rate volatility and the weakened yen resulted in prices of raw materials and energy to increase. In addition, electrification fragmented markets. It was a year of unprecedented challenges.

The Company faced supply chain disruptions, continuous semiconductor shortages and raw material price hikes. On the other hand, it also benefited from the positive effects of yen depreciation.

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

Global retail sales volume of the Group for the year ended March 31, 2023 decreased by 14.7% year on year to 3,305 thousand units. However, net sales of the Group for the year ended March 31, 2023, totaled ¥10,596.7 billion, which represents an increase of ¥2,172.1 billion (25.8%) relative to net sales for the prior fiscal year. Operating income was ¥377.1 billion for the current fiscal year, increasing by ¥129.8 billion (52.5%) from the prior fiscal year.

The Group set the five performance indicators which are operating profit, operating profit margin, free cash flows in the automobile business (based on the proportionate consolidation of the Chinese joint venture), quality and corporate culture. These performance indicators are of critical importance to the third year of the “Nissan NEXT” plan. For this fiscal year, the Company continued to proceed with “Nissan NEXT”, the Company has set targets for the operating profit and the operating profit margin to prioritize both profitability achievement and long-term business continuity. The result for operating profit was 377.1 billion yen and 3.6% operating profit margin. The results were overachieved, the achievement rates were assessed at 125%. For free cash flows in the automotive business, the target level was set to be positive in FY2022. Based on the proportionate consolidation of its Chinese joint venture, the result was overachieved, the achievement ratio was assessed at 125%. For quality, FY2022 target was comprised of elements of quality guarantee and customer satisfaction. The result was overachieved, the achievement ratio was 125%. For corporate culture, the Company has set the target based on yearly improvement of employee engagement/satisfaction and five prioritized key areas: enablement, ethics, leadership, corporate culture, and diversity equity and inclusion, which are measured and achieved in an employee survey conducted anonymously. The result was overachieved, the achievement rate was 125%. The overall achievement ratio was 125%.

(3) Operating and financial issues to be addressed

Operating and financial issues to be addressed by the Group occurring during the fiscal year ended March 31, 2023, are as follows.

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

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

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

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

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

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

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

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

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

On March 3, 2022, the Company received from the Tokyo District Court a guilty judgment regarding the violation of the FIEA (submission of annual securities reports containing false statements) and was ordered a penalty of 200,000,000 yen. The Company treats the judgment with utmost seriousness, and after careful consideration of the principal penalty and the findings in the judgment, the Company has decided not to appeal. Since the Company and the prosecutors did not appeal against the guilty judgment on the Company within the period determined by the Criminal Procedure Act, the judgement has been finalized.

On April 26, 2022, pursuant to the provisions of Article 185-8-6 of the FIEA, the FSA modified the penalty by deducting 200,000,000 yen, which is equal to the criminal penalty in the judgment, thereby making the total amount of the administrative penalty 2,224,895,000 yen. This administrative monetary penalty has been paid in full.

Also, in an unfair dismissal lawsuit filed in the Amsterdam District Court by Ghosn against NMBV and a subsidiary of Nissan, NMBV brought a counterclaim against Ghosn for repayment of the sums Ghosn appropriated unlawfully from NMBV. While the Amsterdam District Court dismissed Ghosn's claims and ordered Ghosn to return roughly 5 million Euros in its decision rendered on May 20, 2021, Ghosn submitted the statement of appeal to the Amsterdam Court of Appeal on August 20, 2021. As a result of a cross-appeal and defense subsequently submitted by NMBV, the Amsterdam Court of Appeal rendered a decision on August 23, 2022, dismissing the vast majority of Ghosn's claims and ordering Ghosn to return roughly 4.2 million Euros. The decision has become final as a result of the expiration of the deadline for an appeal.

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

The Company has filed a provisional disposition order in the British Virgin Islands against Ghosn and related parties for a luxury yacht and has filed a lawsuit seeking damages, etc. based on the order. Also in Japan, the Company has filed lawsuits against Carlos Ghosn on February 12, 2020, and Greg Kelly, the former Representative Director of the Company, on January 19, 2022, seeking recovery of damages. Going forward, the Company will continue to take necessary measures based on the findings of the Company's internal investigation, including legal measures to recover damages, in order to account for the responsibility of the former chairman and others.

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

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

2. Approach to Sustainability and our initiatives

(1) Approach to Sustainability

Our long-term vision "Nissan Ambition 2030" aims at establishing Nissan as a truly sustainable company, driving towards a cleaner, safer and more inclusive world. Our sustainability initiatives will help us realize our long-term vision and fulfill our corporate purpose. In every aspect of our business, Nissan strives to promote sustainability.

a. Governance

Companywide management of specific activities under Nissan's sustainability strategy, from setting goals to monitoring progress, is the responsibility of the Global Sustainability Steering Committee chaired by the Chief Sustainability Officer (CSO). Nissan implements the PDCA cycle in pursuit of improved sustainability performance. The Global Environmental Management Committee (G-EMC), co-chaired by a Board member, makes decisions relating to environmental issues. Sustainability initiatives are reported quarterly to the Executive Committee, the forum where the sustainability strategy and countermeasures for critical issues are proposed. The contents are then reported to the Board of Directors as necessary. Moreover, in FY2021, the company added new performance indicators for sustainability in performance-based cash incentives that form a part of the long-term incentive program in order to demonstrate the senior management's commitments to sustainability.

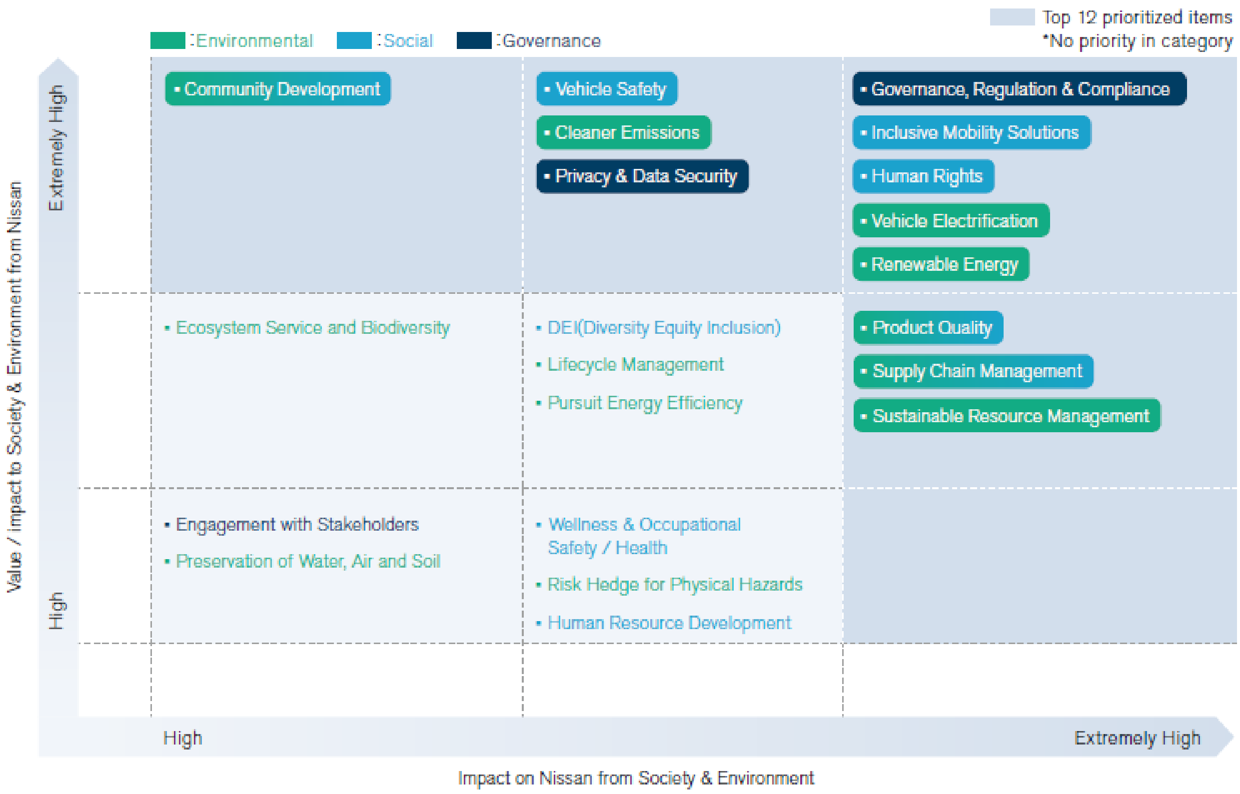
b. Strategy

Sustainability is at the heart of our business and central to the trust placed in our company by our stakeholders. It was back in 2018 when Nissan formulated our sustainability strategy, "Nissan Sustainability 2022". Under "Nissan Sustainability 2022", Nissan clarified its activities in terms of ESG (Environmental, Social, and Governance), set out targets to achieve by FY2022, and promoted various activities which contribute to the sustainable growth for both the company and society.

To reinforce the sustainability strategy, we identified key material issues that we should address on a company-wide level based on risk and opportunity analysis, in order to show Nissan's priorities in sustainability more clearly.

Nissan uses a matrix to prioritize initiatives, conveying to stakeholders the path the company will take toward 2030 in even more detail, and expanding opportunities for collaboration and deepening relationships of trust that lead to the further promotion of initiatives.

Nissan materiality matrix



For more details about materiality, see the Sustainability Report 2022 available on the corporate website.

c. Risk Management

Nissan has defined action plans for each material issue within "Nissan Sustainability 2022" and progress is monitored through the governance structure and process mentioned above. Furthermore, we assess global agendas by regularly analyzing market trends, identifying expectations from society through dialogues with stakeholders that include investors, and studying various trends such as the United Nations Climate Change Conference of Parties (COP), Sustainable Development Goals (SDGs) and risk reports published by the World Economic Forum (WEF). Then, we assess Nissan's material issues by analyzing risks and opportunities from a global perspective. This perspective incorporates both efforts to achieve "Nissan Ambition 2030" and the role of the automobile sector.

For more details on the action plan, metrics and targets, please refer to the Sustainability Report 2022 available on the corporate website.

The following is a description of our initiatives in the areas of climate change and human capital, which are deemed as high material issues among various stakeholders.

(2) Climate Change

a. Governance

Global Environmental Management Framework and Governance System

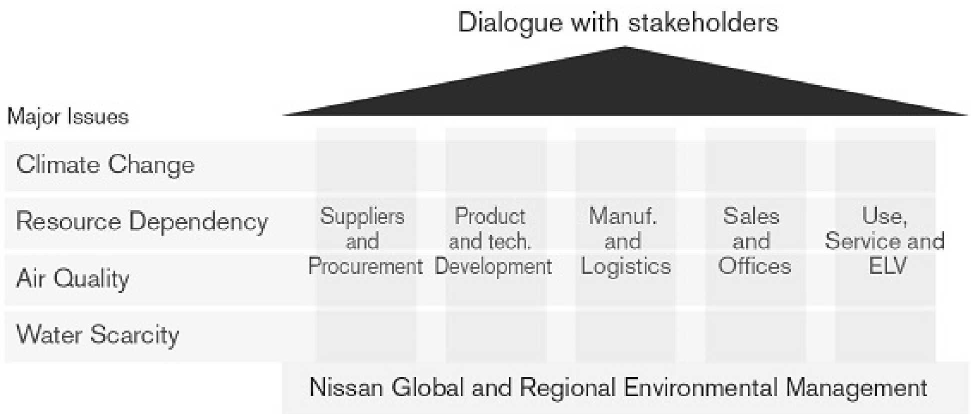
Nissan has a governance system that promotes comprehensive environmental management while responding to diverse environmental issues.

The Global Environmental Management Committee (G-EMC), co-chaired by a Board member, is attended by executives from all areas of the value chain to determine overall policies and the content of reports put before the Board of Directors.

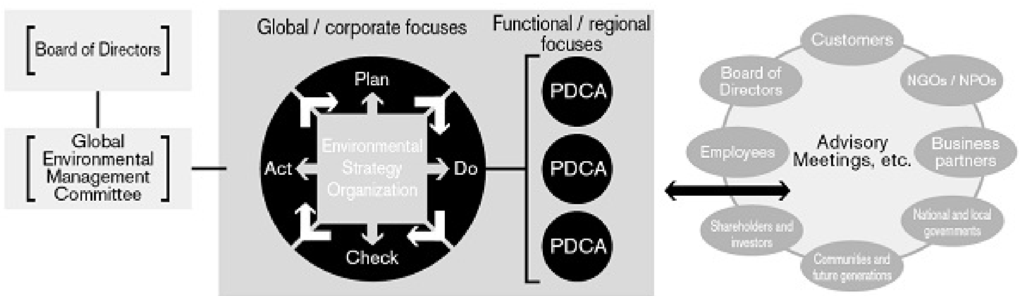
Executives also clarify risks and opportunities at the corporate level and determine the specific programs to be undertaken by each division, using the PDCA cycle to manage and operate the environmental programs efficiently.

In addition, Nissan actively communicates with a broad range of stakeholders through the Sustainability Report. Please refer to the ESG Data Book 2023, planned to be published on the corporate website at the end of July 2023. Prior to that, please refer to the Sustainability Report 2022 available on the corporate website.

Global Environmental Management Framework



Environmental Management Organization



b. Strategy

Environmental Action Plan: Nissan Green Program (NGP)

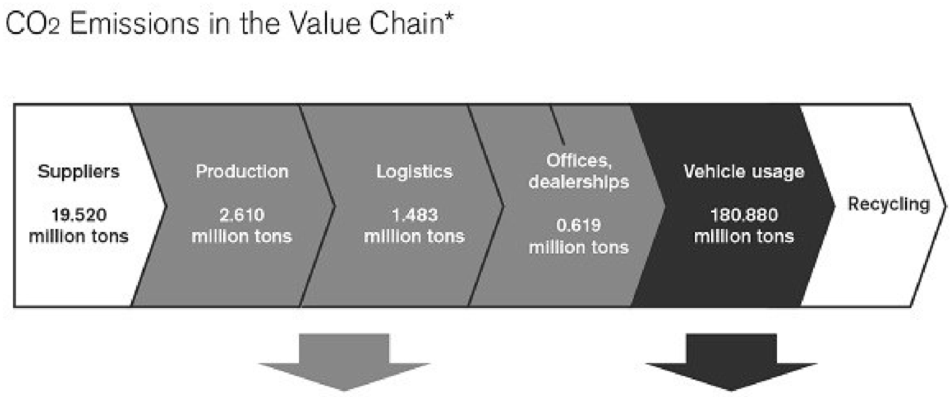
We first announced the Nissan Green Program (NGP) medium-term environmental action plan in 2002 to achieve our environmental philosophy of “a Symbiosis of People, Vehicles, and Nature” and to ultimately reduce our environmental dependence and impact to levels that nature can absorb.

In FY2017, we launched NGP2022, the fourth generation of the NGP that looks ahead to 2022. The fifth-generation Nissan Green Program is currently under development for further challenges. We will clarify the direction of future technological innovations and social collaboration. The goals will be shared with our supply chain and partners, and we will work together to achieve environmental responsiveness and social value creation.

NGP2022 Key Issues and Challenges

Based on the environmental materiality analysis, Nissan has positioned climate change, air quality, resource dependency, and water scarcity as key material issues under NGP2022. Furthermore, we are also working to strengthen the business foundation and new value creation related to environmental issues through stakeholder engagement aimed at understanding the needs of stakeholders.

The indicators and progress of initiatives are disclosed annually in the Sustainability Report, demonstrating the outcomes of our efforts not only in the R&D and manufacturing departments but also sales and service departments and across Nissan as a whole to strengthen our business foundation and create social value. Key items related to climate change are disclosed in section d. Metrics and Targets described later.



Reducing CO2 emissions from corporate activities

Reducing CO2 emissions from products and service

*Actual emissions in 2018

Nissan’s Steps to Reduce CO2 emissions

Based on our track record of reducing CO2 emissions and realizing the practical use of electrification technologies, in January 2021, Nissan announced a new goal, based on a long-term vision for climate change, to achieve carbon neutrality across the company’s operations and the life cycle of its products by 2050*. In our corporate activities, we work with suppliers, from procurement of raw materials to transportation and operation of vehicles to reduce CO2 emissions through energy-saving activities and promote a shift to greener power. Towards achieving that goal, by the early 2030s, we aim for every all-new Nissan vehicle in key markets to be electrified as we pursue further innovations in electrification.

By placing electrification at the core of the company’s long-term strategy, “Nissan Ambition 2030”, the company aims to accelerate the electrification of its vehicle lineup and increase the number of models, introducing 27 new electrified vehicles including 19 new EVs, by FY2030. As a result, the electrification mix by 2030 is projected to increase to more than 55% globally. Especially, Nissan’s latest forecast for its sales mix of electrified vehicles sold in Europe in FY2026 is expected to be 98%.

* “Life cycle” includes raw material extraction, manufacturing, use, and the recycling or reuse of end-of-life vehicles.

c. Risk Management

Climate Change Scenario Analysis to Strengthen Strategies for 2050 Society

Through the NGP, we have achieved continuous results by reaching targets, however, the threat of extreme weather due to climate change is increasing.

In response, based on the 4°C and 2°C scenarios presented in the International Energy Agency (IEA) time horizon up to 2050 and the 1.5°C scenario in the IPCC special report, we studied the opportunities and risks posed by climate change.
Specifically, we defined risk factors on the automotive sector, and confirmed the degree of risk in each scenario.

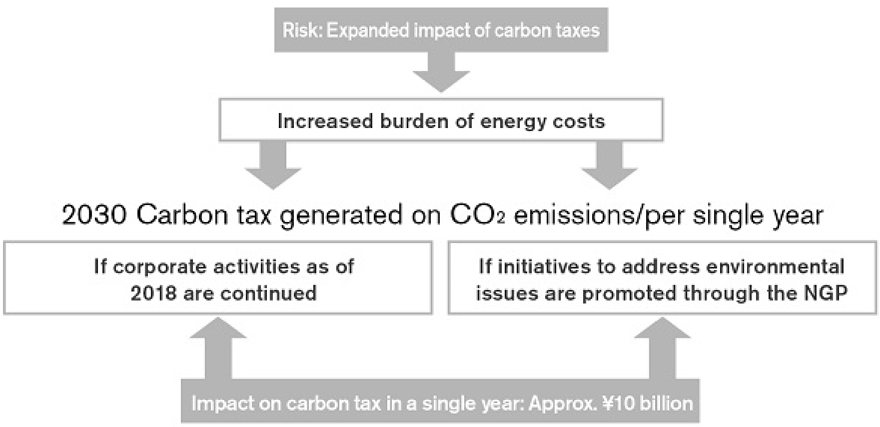
We will get the impact of climate change in more than 170 countries and markets. Nissan's electrification and other related advanced technologies can create opportunities in scenarios other than 2°C, however, Nissan, recognizes the vital necessity of further accelerating efforts toward this realization, and collaboration with the supply chain for responding to risks.

The expansion of zero-emission vehicles is not only a significant step towards the shift to a carbon-free society, but also a technology that contributes to the resilience of society in power management, disaster mitigation and prevention. Although further development is needed to enhance electric vehicles' performance and ensure their environmental sustainability, we believe they will ultimately generate significant value for both businesses and society.

Envisioned scenarios and associated opportunities and risks

Scenario Assumption	Area of impact	Business Activity Opportunities and Risks Related to Ongoing Climate Change
1.5℃	Policies and regulations	Respond to further tightening of vehicle fuel efficiency and exhaust gas regulations, develop electric powertrain technologies and may influence production costs
		Increased burden of energy costs due to expansion of carbon taxes, expand investment in energy-saving equipment as policy
	Technological changes	Cost effects of utilizing next-generation vehicle technologies such as in-vehicle batteries and other EV-related technologies as well as expanding autonomous driving technologies
		Increased demand will affect supply chains for rare earth metals used for in-vehicle battery material and cause an increase in stabilization costs
	Market changes	Changes in consumer awareness leads to reduce new vehicle sales due to the selection of public transportation and bicycles and the transition to mobility services.
	Opportunities	Expand the provision of power management opportunities with Vehicle to Everything (V2X), an EV energy charging/discharging technology, and redefine the value of EV, especially with Vehicle to Grid (V2G)
4℃	Extreme weather	The impact on the supply chain and the operation of production bases due to extreme weather such as heavy rain and drought will increase property insurance costs and air conditioning energy costs
	Opportunities	The need for securing emergency power sources using EV batteries is increasing as a disaster prevention and mitigation measure

However, if the societal response to climate change is delayed, various transition risks and physical risks will increase, which have the potential to influence on our financial situation. We conducted an impact assessment of carbon taxes on GHG emissions as of 2030. We estimated that the carbon tax impact could be reduced by approximately 10 billion yen for Scope 1 and 2 through NGP initiatives.



Response strategy

For more than 20 years, Nissan has been executing our Nissan Green Program (NGP) medium-term environmental action plan. We will assess the impact of the transition to decarbonization for value chain, and promote activities that take into account a just transition that minimizes the negative effects toward carbon neutrality.

Support for TCFD

It is important to more clearly and accurately communicate the strategies considered to investors and other stakeholders. Nissan supports the TCFD's recommendations and will strive to disclose information in line with its recommended framework. (TCFD: The Task Force on Climate-related Financial Disclosures)

We will continue to improve the accuracy of our scenario analysis methods and ascertain the amount of risk more accurately. We will further enhance our disclosure of information to concretize our vision for 2030 and promote dialogue with our stakeholders.

For details about the Nissan Green Program and our initiatives on issues other than climate change, see the Sustainability Report 2022 available on the corporate website.

d. Metrics and Targets

Towards achieving Nissan's long-term goal of carbon neutrality in the vehicle life cycle by 2050, Nissan Green Program 2022 sets clear KPIs and targets in each link of the value chain through to FY2022, and progress is reported annually. The status of target achievement for fiscal 2021 is detailed below. Moreover, FY2022 results will be disclosed in the ESG data book 2023 to be published on the corporate website at the end of July 2023.

	FY2022 target	FY2021 result	CO2 emission unit details
Product	-40%	-42.5%	Reduce CO2 emissions compared to FY 2000 levels (Japan, U.S., Europe, China)
Overall corporate activities	-30%	-32.9%	Reduction in global CO2 emissions per vehicle sold compared to FY2005 levels
→Manufacturing	-36%	-23.4%	Reduction in global CO2 emissions per vehicle produced compared to FY2005 levels
→Logistics	-12%	-27.9%	Reduction in CO2 emissions per vehicle produced compared to FY2005 levels (Japan, U.S., Europe, China)
→Offices	-12%	-26.7%	Reduction in CO2 emissions per floor area, including R&D sites compared to FY2010 levels (Japan)
→Dealers	-12%	-15.2%	Reduction in CO2 emissions per floor area, compared to FY2010 levels

Considering the entire value chain in total, the amount of CO2 emitted during vehicle use is significantly higher than the amount of CO2 emitted from corporate activities, accounting for more than 80% of the total. Of the 129,975 kton-CO2 emissions of the entire value chain (total of Scope 1, 2, and 3) 114,854 kton-CO2 was emitted during use of the vehicles sold, 698 kton-CO2 and 1,541 kton-CO2 from Corporate activities in Scope1 and 2. (FY2021 result) All of these emissions are measured in accordance with the GHG Protocol and include values certified by an external evaluation body.

(ton-CO2e)

Scopes*	2017	2018	2019	2020	2021
Scope 1	912,476	889,444	774,163	754,453	697,851
Scope 2	2,394,109	2,339,883	2,105,700	1,631,551	1,541,276
Scope 3	213,715,000	203,106,900	173,138,601	135,068,055	127,735,901
Total	217,021,585	206,336,227	176,018,464	137,454,059	129,975,028

* Scopes are defined in the GHG Protocol Corporate Standard as follows:
Scope 1 Direct emissions from owned or controlled sources
Scope 2 Indirect emissions from the generation of purchased energy
Scope 3 All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions

For details about changes in emissions volumes and third-party assurance, see the Sustainability Report 2022 available on the corporate website.

(3) Human Capital: “Talent Development Policy”, “Diversity, Equity and Inclusion” and “Work Environment Enhancement Policy”

a. Strategy

In 2022, we established “HR Ambition 2030” as a HR strategy which covers “Talent Development”, “Diversity, Equity & Inclusion” and “Work Environment Enhancement” with the aim to realize the Corporate Purpose and long-term strategy, “Nissan Ambition 2030”, while accelerating recruitment of engineers for core business areas.

This HR strategy consists of 5 pillars, which are "Enhanced employee experience”, “Skill driven management”, “Leadership effectiveness”, “Culture transformation & Innovation” and “Diversity, Equity & Inclusion”.

< HR Ambition 2030 >

<table>
<tr><td rowspan="5">5 Pillars</td><td>1</td><td>Enhanced employee experience</td><td>Attract, engage and retain diversified / core skill talents to ensure Nissan’s sustainable growth</td></tr>
<tr><td>2</td><td>Skill driven management</td><td>Source core skill talents to deliver electrified vehicles, new mobility services and technology innovations</td></tr>
<tr><td>3</td><td>Leadership effectiveness</td><td>Develop collaborative and empathetic leadership to “Empower our people” for “Nissan Ambition 2030”</td></tr>
<tr><td>4</td><td>Culture transformation & Innovation</td><td>Enhance innovation through our DNA, “Do what others don’t dare to do”, by promoting Enablement*</td></tr>
<tr><td>5</td><td>Diversity, Equity & Inclusion</td><td>Sustain Diversity as Nissan’s strength and accelerate to build Equity & Inclusion in the workplace</td></tr>
</table>

* An environment that supports employees’ motivation and a comfortable working environment where employees are able to demonstrate their abilities.

Securing effectiveness of its governance, the progress of this HR strategy is confirmed twice a year at the Global HR Conference chaired by the Chief Human Resources Officer (CHRO), a member of the Executive Committee, in order to ensure steady implementation.

For risk management, it is described in (1) Approach to Sustainability, c. Risk Management.

b. Metrics and Targets

1. We have set a goal of hiring more than 3,000 engineers in Nissan Ambition 2030 in advanced research and development. Recruitment is progressing as planned with a total of 1,015 new graduates and mid-career hires by the end of March 2023 from 2021, when Nissan Ambition 2030 was established. We plan to hire an average of 550 engineers per year by 2026.
2. Besides, we set targets in Global Employee Survey as comprehensive indicators related to “Talent Development”, “Diversity, Equity & Inclusion” and “Work Environment Enhancement”. Specifically, each year we set targets for engagement / satisfaction and five prioritized key areas: enablement, ethics, leadership, corporate culture, and diversity, equity and inclusion, aiming to exceed the global benchmarking scores as a medium-to long-term goal. The targets are based on year over year improvement. The results for fiscal 2022 exceeded the targets.

3. Business and other risks

With regard to disclosure in the Business Overview, Financial Information and other parts of this Securities Report, the significant items which may affect the decisions of our investors can be grouped under the following risk factors.
Any future forecasts included in the following descriptions are based on the estimates or judgment of the Group as of June 30, 2023.

1. Rapid changes in the global economy and economic climate

(1) Economic factors

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

(2) Situation regarding resources and energy

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

2. Rapid changes and moves in the automobile market

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

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

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

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

In the future, the conventional business model of "automobile manufacturers produce and sell vehicles as hardware, whereas customers purchase, own and use such vehicles" is expected to change substantially with the propagation of several promising business categories such as car sharing, ride sharing and robot taxi service.
In addition, it is expected that the core added value of cars, that is, the performance of vehicles as hardware, might shift to software-based value such as "what kind of experience can cars provide to customers including services related to cars."

As a result, the attractiveness of software will become the key to differentiation from other companies, and the know-how and expertise of the Group in developing and mass-producing of vehicles, which have been our strengths, may become less valuable.

In anticipation of these expected changes, there are movements to enter the market from outside the traditional automobile industry, including new mobility.

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

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

3. Risks related to the financial market

(1) Fluctuations in foreign currency exchange rates

The Group's finished products are produced in 13 markets, and are sold in approximately 160 markets. The Group's procurement activities for raw materials, parts/components and services are conducted in many countries.

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

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

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

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

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

(3) Marketable securities price risk

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

(4) Liquidity risk

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

(5) Sales financing business risk

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

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

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

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

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

(6) Counterparty credit and other related risks

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

On June 24, 2022, Marelli Holdings Co., Ltd. which is one of the core suppliers for the Group, made an application for Rehabilitation proceeding under the Civil Rehabilitation Law, and the rehabilitation plan was agreed at the creditors' meeting held on July 19, 2022 followed by the confirmation of the Tokyo District Court's approval on August 9, 2022. If the simplified rehabilitation plan does not progress as expected, it may trigger credit incident of such supplier, and possible suspension or delay of supply, or a deficiency in supply from this supplier may happen. This could lead to the Group's production suspension, delay, cut or increase of financial burden, cost and thereby may significantly affect Group's financial position and business performance.

(7) Employee retirement benefit expenses and obligations

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

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

(1) Risks involved in international activities and overseas expansion

The Group's finished products are produced in 13 markets, and are sold in approximately 160 markets. Although the Group fully considers the following risks when expanding its business into overseas markets, in the event of unforeseen or unanticipated risks in the overseas markets, such as the unstable global situation in Russia and Ukraine, the Company will not be able to achieve the planned capacity utilization and profitability, which could have an effect on the Group's financial position and business performance.

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

(2) Research and development

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

(3) Collaboration with other corporations

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

(4) Quality of products and services

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

(5) Risks associated with climate change

The global CO_2 emissions that affect climate change must peak out as soon as possible in the Paris Agreement adopted in 2015. In addition, there has been an increase in national policies and corporate initiatives to achieve net zero by 2050 at the latest since the Intergovernmental Panel on Climate Change (IPCC) published 1.5ºC special report in 2018.

The Group's ultimate goal is to hand over abundant natural assets to the next generation by reducing the dependence on the environment and the environmental impact, both of which derive from its business operations and/or its vehicles, to a level controllable or absorbable by nature. To this end, the Group is committed, hand-in-hand with suppliers, to reducing CO_2 emissions at every stage of its value chain from the procurement of raw materials for vehicles to the transportation of vehicles and when vehicles are driven. The Nissan Green Program, the medium-term environmental action plan, stipulated global Key Performance Indicators (KPIs) and target values at the respective stages, and the Group has publicly announced its annual results.

Considering the entire value chain in total, the amount of CO_2 emitted during vehicle use is significantly higher than the amount of CO_2 emitted from corporate activities, accounting for more than 80% of the total. The Group intends to achieve the target of reducing 40% of CO_2 emissions discharged from a new car by 2022 (compared to 2000) in the Nissan Green Program 2022, which was announced in 2017. The reduction effect reached 42.5% in fiscal year 2021.

In January 2021, the Group announced a goal to achieve carbon neutrality across the Company's operations and the life cycle of its products by 2050. As part of this effort, every all-new Nissan vehicle offering in key markets will be electrified by the early 2030s. The Group intend to materialize its activities to respond to the environment and create social value.

The Group also recognize the importance of assessing changes under multiple scenarios and considering resilient strategies for risks and opportunities arising from uncertain future events such as climate change. The impacts identified by conducting this scenario analysis are disclosed in the sustainability report 2022 and "2. Business Overview" 2 Approach to Sustainability and our initiatives.

In order to address such scenarios for risk and opportunity, and ensure a path toward carbon neutrality, we recognize the need to further expand our efforts, and are currently considering the next Nissan Green Program for the year 2030. However, if society as a whole does not quickly take measures to address climate change, the Group might suffer from the transition risk that could be caused by harsher policies and/or legal regulation toward a carbon-free society such as introducing carbon pricing and carbon border taxes, an increase in R&D operations and actual market demand and/or a change in corporate reputation, as well as the physical risk of an increase in disasters due to abnormal weather conditions and sea surface elevation, which could have a significant effect on the Group's financial position due to a possible increase in costs to address the respective risks and a possible decline in car sales performance.

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

Aside from the climate change factors described in (5), the automobile industry worldwide is influenced by a broad spectrum of environmental and safety related regulations governing the emission levels of exhaust fumes, CO_2/fuel economy guidelines, noise level, chemical substance management, recycling and water resources. These regulations have become increasingly stringent.

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

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

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

(7) Critical lawsuits and claims

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

(8) Protecting intellectual property

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

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

(9) Recruitment and retaining of talented human resources

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

(10) Compliance and reputation

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

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

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

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

5. Continuation of business

(1) Large-scale natural disasters

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

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

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

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

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

(2) Purchase of raw materials and parts

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

(3) Dependency on specific suppliers

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

On June 24, 2022, Marelli Holdings Co., Ltd. which is one of the core suppliers for the Group, made an application for Rehabilitation proceeding under the Civil Rehabilitation Law, and the rehabilitation plan was agreed at the creditors' meeting held on July 19, 2022 followed by the confirmation of the Tokyo District Court's approval on August 9, 2022. If the simplified rehabilitation plan does not progress as expected, possible suspension or delay of supply, or a deficiency in supply from this supplier may happen. This could lead to the Group's production suspension, delay, cut or increase of financial burden, cost and thereby may significantly affect Group's financial position and business performance.

(4) Computer information system

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

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

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

(5) Pandemic risk

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

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

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

Although infection with COVID-19 has been decreasing worldwide, and coexistence with novel coronaviruses is progressing in social life and corporate activities, if infection were to spread again, the Group's business performance and financial position could be affected due to increased risk in continuing production and sales activities.

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

(1) Overview of the operating results, etc.

The overview of the Group's financial position, operating results and cash flows (hereinafter the "operating results, etc.") for the current fiscal year is as follows:

1) Financial position and operating results

The global industry volume totaled 80.51 million units for the current fiscal year, an increase of 2.7% year on year. Global retail sales volume of the Group for the year ended March 31, 2023 decreased by 14.7% year on year to 3,305 thousand units. Net sales of the Group for the year ended March 31, 2023, totaled ¥10,596.7 billion, which represents an increase of ¥2,172.1 billion (25.8%) relative to net sales for the prior fiscal year. Operating income was ¥377.1 billion for the current fiscal year, increasing by ¥129.8 billion (52.5%) from the prior fiscal year.
Net non-operating income was ¥138.3 billion for the current fiscal year, increasing by ¥79.5 billion from the prior fiscal year. As a result, ordinary income was ¥515.4 billion, increasing by ¥209.3 billion (68.4%) compared with the prior fiscal year. Net special losses of ¥113.0 billion were recorded, deteriorating by ¥191.1 billion from the prior fiscal year. Income before income taxes was ¥402.4 billion, increasing by ¥18.2 billion (4.7%) from the prior fiscal year. Finally, net income attributable to owners of parent for the year ended March 31, 2023 was ¥221.9 billion, an increase of ¥6.4 billion (3.0%) from the prior fiscal year.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year increased by ¥221.7 billion (12.4%) from the end of the prior fiscal year to ¥2,014.4 billion. This reflected ¥1,221.1 billion in net cash provided by operating activities, ¥447.0 billion in net cash used in investing activities and ¥670.6 billion in net cash used in financing activities, as well as an increase of ¥112.3 billion in the effects of foreign exchange rate movements on cash and cash equivalents and a ¥5.9 billion increase attributable to a change in the scope of consolidation.

3) Production, orders received and sales

a. Actual production

Location of manufacturers	Number of vehicles produced (units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	445,836	596,694	150,858	33.8
The United States of America	455,871	555,924	100,053	21.9
Mexico	454,620	412,098	(42,522)	(9.4)
The United Kingdom	181,618	260,532	78,914	43.5
Spain	18,673	—	(18,673)	—
Russia	43,872	—	(43,872)	—
Thailand	103,717	79,997	(23,720)	(22.9)
India	184,686	218,482	33,796	18.3
South Africa	22,032	26,891	4,859	22.1
Brazil	40,973	53,171	12,198	29.8
Argentina	22,258	26,816	4,558	20.5
Egypt	19,963	18,112	(1,851)	(9.3)
Total	1,994,119	2,248,717	254,598	12.8

Note: The figures represent the production figures for the 12-month period from April 1, 2022 to March 31, 2023.

b. Orders received

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

c. Actual sales (on a retail basis)

Sales to	Number of vehicles sold (on a retail basis: units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	428,411	454,449	26,038	6.1
North America	1,183,266	1,023,498	(159,768)	(13.5)
(The United States of America included therein)	893,167	764,086	(129,081)	(14.5)
Europe	339,549	308,449	(31,100)	(9.2)
Asia	1,526,267	1,170,992	(355,275)	(23.3)
(China included therein)	1,381,494	1,045,197	(336,297)	(24.3)
Other overseas countries	398,493	347,816	(50,677)	(12.7)
Total	3,875,986	3,305,204	(570,782)	(14.7)

Notes: 1. The figures in China and Taiwan, which are included in "Asia," represent the sales figures for the 12-month period from January 1 to December 31, 2022. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 12-month period from April 1, 2022 to March 31, 2023.

2. The figures in China include Chinese joint venture, Dongfeng Motor Co., Ltd.

d. Actual sales (on a consolidated basis)

Sales to	Number of vehicles sold (on a consolidated basis: units)		Change (units)	Change (%)
	Prior fiscal year	Current fiscal year		
Japan	417,776	456,415	38,639	9.2
North America	970,301	1,063,933	93,632	9.6
(the United States of America included therein)	737,865	802,266	64,401	8.7
Europe	293,286	310,683	17,397	5.9
Asia	222,643	207,190	(15,453)	(6.9)
(China included therein)	1,856	49	(1,807)	(97.4)
Other overseas countries	389,569	412,544	22,975	5.9
Total	2,293,575	2,450,765	157,190	6.9

Note: The figures in China and Taiwan, which are included in "Asia," represent the sales figures for the 12-month period from January 1 to December 31, 2022. Those sold in Japan, North America, Europe, Other overseas countries and Asia (excluding China and Taiwan) represent vehicles sold for the 12-month period from April 1, 2022 to March 31, 2023.

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

The following analysis and discussions of the Group's operating results, etc., from the viewpoint of management are, in principle, based on the consolidated financial statements.
Any future forecasts included in the following descriptions are based on the best estimates or judgment of the Group as of June 30, 2023, the date of filing this Securities Report.

1) Significant accounting policies and estimates

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

a. Accrued warranty costs

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

b. Retirement benefit expenses

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

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

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

(Operating results)

a. Net sales

Consolidated net sales for the current fiscal year were ¥10,596.7 billion, an increase of ¥2,172.1 billion (25.8%) year on year mainly due to exchange rate fluctuations and an increase in net revenue per unit.

b. Operating income

Consolidated operating income totaled ¥377.1 billion, an increase of ¥129.8 billion (52.5%) from operating income of ¥247.3 billion for the prior fiscal year, and operating income as a percentage of net sales was 3.6% for the current fiscal year.

This was mainly attributable to revenue enhancement resulting from improvements in the quality of sales, the effect of improvements in costs and expenses, and favorable foreign exchange rate fluctuations despite a decrease in profit mainly due to an increase in raw material prices and inflation.

c. Non-operating income and expenses

Consolidated net non-operating income of ¥138.3 billion was recorded for the current fiscal year, an increase of ¥79.5 billion from net non-operating income of ¥58.8 billion for the prior fiscal year. This result was mainly due to an increase in equity in earnings of affiliates.

d. Special gains and losses

Consolidated net special losses of ¥113.0 billion were recorded for the current fiscal year, deteriorating by ¥191.1 billion from net special gains of ¥78.1 billion for the prior fiscal year. This was mainly due to gain on sales of investment securities related to the sales of shares in Daimler AG in the prior fiscal year as well as losses on the exit from the Russian market in the current fiscal year.

e. Income taxes

Income taxes for the current fiscal year increased by ¥15.8 billion (10.9%) to ¥161.2 billion from the prior fiscal year.

f. Net income attributable to owners of parent

Net income attributable to owners of parent for the current fiscal year increased by ¥6.4 billion (3.0%) from the prior fiscal year to ¥221.9 billion.

(Business segments)

a. Automobile

The Group's worldwide automobile retail sales volume for the year ended March 31, 2023, decreased by 571 thousand units (14.7%) from the prior fiscal year to 3,305 thousand units. This was mainly due to the effect of dealer inventory reductions which resulted in the increase of retail sales volume in the previous year, in addition to supply chain disruptions and the semiconductor supply shortage. The number of vehicles sold in Japan increased by 6.1% to 454 thousand units. Vehicles sold in China decreased by 24.3% to 1,045 thousand units. Those sold in North America including Mexico and Canada decreased by 13.5% to 1,023 thousand units, those sold in Europe decreased by 9.2% to 308 thousand units and those sold in other overseas countries decreased by 12.8% to 474 thousand units.

Net sales in the automobile business (including inter-segment sales) for the current fiscal year increased by ¥2,211.2 billion (29.6%) from the prior fiscal year to ¥9,686.9 billion.

Operating income of ¥43.0 billion was recorded, improving by ¥198.0 billion from the prior fiscal year. This was mainly attributable to revenue enhancement resulting from improvements in the quality of sales, the effect of improvements in costs and expenses, and favorable foreign exchange rate fluctuations despite a decrease in profit mainly due to an increase in raw material prices and inflation.

Operating income for the Automobile segment including Elimination for the current fiscal year was ¥65.2 billion.

b. Sales finance

Net sales in the sales finance business (including inter-segment sales) for the year ended March 31, 2023 decreased by ¥7.9 billion (0.8%) from the prior fiscal year to ¥1,023.8 billion. Operating income decreased by ¥62.9 billion (16.8%) from the prior fiscal year to ¥311.9 billion mainly due to a decrease in the release of credit loss provisions in the United States of America and reduced size of portfolio by sales finance companies globally.

(Geographic segments)

a. Japan

In the Japan market, TIV increased by 4.0% year on year to 4.39 million units. The Group's retail sales volume increased by 6.1% from the prior fiscal year to 454 thousand units. The Group's market share increased to 10.4%, up 0.2 percentage point year on year.

As a result, net sales in Japan (including inter-segment sales) for the current fiscal year increased by ¥816.2 billion (26.1%) from the prior fiscal year to ¥3,938.3 billion. The Group recorded an operating loss of ¥150.3 billion, improving by ¥79.5 billion from the prior fiscal year mainly due to an increase in consolidated sales volume and favorable foreign exchange rate fluctuations partially offset by an increase in costs and expenses including raw material prices.

b. North America

In the North America market, including Mexico and Canada, TIV decreased by 2.6% to 16.62 million units. The Group's retail sales volume in North America decreased by 13.5% to 1,023 thousand units.

Meanwhile, net sales in North America (including inter-segment sales) for the current fiscal year increased by ¥1,603.9 billion (36.9%) to ¥5,949.1 billion. Operating income was ¥356.0 billion, increasing by ¥25.3 billion (7.7%) from the prior fiscal year mainly due to an increase in net revenue per unit through strict control of sales incentives and pricing as well as favorable foreign exchange rate fluctuations, in addition to an increase in consolidated sales volume partially offset by an increase in costs and expenses including raw material prices, inflationary effects and a decrease in profit of the sales finance business.

In the United States of America market, TIV decreased by 3.5% to 13.96 million units. The Group's retail sales volume decreased by 14.5% to 764 thousand units. The Group's market share was 5.5%, down 0.7 percentage point year on year. This was mainly due to production constraints for "Sentra" and "Kicks" caused by the semiconductor supply shortage, in addition to the effect of dealer inventory reductions which resulted in the increase of retail sales volume in the previous year.

c. Europe

In the Europe market, TIV decreased by 6.1% to 14.55 million units. The Group's retail sales volume decreased by 9.2% to 308 thousand units. The Group's market share decreased by 0.1 percentage points to 2.1%.

Net sales in Europe (including inter-segment sales) for the current fiscal year were ¥1,396.7 billion, an increase of ¥289.5 billion (26.1%) from the prior fiscal year. Operating loss of ¥4.6 billion was recorded, improving by ¥23.8 billion from the prior fiscal year mainly due to an increase in net revenue per unit through strict control of sales incentives and pricing, in addition to an increase in consolidated sales volume lead by the all-new "Qashqai," partially offset by a decrease in profit as a result of exiting the Russian market.

d. Asia

Retail sales volume in the Asia market, excluding China, decreased by 13.1% to 126 thousand units. Net sales in Asia (including inter-segment sales) for the current fiscal year increased by ¥159.1 billion (12.4%) from the prior fiscal year to ¥1,438.9 billion. Operating income for the current fiscal year was ¥85.9 billion, decrease of ¥8.5 billion (9.0%) from the prior fiscal year. The increase in revenue was mainly driven by favorable foreign exchange rate fluctuations as well as strict control of sales incentives partially offset by a decrease in revenue due to production constraints caused by the semiconductor supply shortage. The decrease in profit was mainly due to higher costs and expenses caused by inflation and other factors.

In the China market, TIV increased by 5.7% to 26.01 million units. The Group's retail sales volume in China decreased by 24.3% from the prior fiscal year to 1,045 thousand units mainly due to a decrease in production volume caused by COVID-related impacts and the semiconductor supply shortage, and increased competition in the China market, accounting for a market share of 4.0%, decreasing by 1.6 percentage points. The operating results of Chinese joint venture, Dongfeng Motor Co., Ltd., are reflected as equity in earnings or losses of affiliates in non-operating income or expenses.

e. Other overseas countries

In other markets, consisting of Oceania, Middle East, South Africa and Central and South America excluding Mexico, etc., the Group's retail sales volume decreased by 12.7% to 348 thousand units. The Group's retail sales volume in Central and South America market decreased by 19.9% year on year to 135 thousand units. The Group's retail sales volume in the Middle East increased by 2.8% year on year to 120 thousand units. The Group's retail sales volume in the Africa market such as South Africa decreased by 7.9% to 63 thousand units. Net sales in other markets consisting of the aforementioned regions (including inter-segment sales) for the current fiscal year increased by ¥299.3 billion (34.5%) from the prior fiscal year to ¥1,165.9 billion. Operating income was ¥84.5 billion, an increase of ¥28.8 billion (51.7%) from the prior fiscal year mainly due to an increase in consolidated sales volume and model mix improvements.

(Analysis of sources of capital and liquidity)

a. Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities increased by ¥373.9 billion to ¥1,221.1 billion in the current fiscal year from ¥847.2 billion provided in the prior fiscal year. This was mainly due to an improvement in profit and working capital.

(Cash flows from investing activities)

Net cash used in investing activities increased by ¥300.2 billion to ¥447.0 billion in the current fiscal year from ¥146.8 billion used in the prior fiscal year. This is mainly because proceeds from sale of Daimler AG shares of ¥149.8 billion in the prior fiscal year, and deconsolidation of cash impact resulting from the transfer of Nissan Manufacturing RUS, Limited Liability Company shares of ¥30.8 billion in the current fiscal year. In addition, the sales finance business had a decrease in the proceeds from sales of leased vehicles and an increase in restricted cash related to asset-backed securities.

(Cash flows from financing activities)

Net cash used in financing activities decreased by ¥422.0 billion to ¥670.6 billion in the current fiscal year from ¥1,092.6 billion used in the prior fiscal year. This was mainly due to a decrease in debt repayments.

Free cash flows in the automobile business for the current fiscal year has improved from the prior fiscal year by ¥481.5 billion to positive ¥186.7 billion. The Group's net cash for the automobile business at the end of the current fiscal year has improved from the end of the prior fiscal year by ¥485.2 billion to ¥1,213.2 billion.

Information by segments is as follows

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

(Millions of yen)

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

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	492,095	728,956	1,221,051
Cash flows from investing activities	(305,347)	(141,694)	(447,041)
Subtotal: Free Cash flows	186,748	587,262	774,010
Cash flows from financing activities	(104,199)	(566,408)	(670,607)

Year-on-Year Comparison

(Millions of yen)

	Automobile & Eliminations	Sales financing	Consolidated total
Cash flows from operating activities	674,278	(300,414)	373,864
Cash flows from investing activities	(192,787)	(107,419)	(300,206)
Subtotal: Free Cash flows	481,491	(407,833)	73,658
Cash flows from financing activities	(64,130)	486,168	422,038

b. Financial policies

Financial activities within the Group are managed centrally by the Company to enhance cash efficiency as a group.
The Group's funding needs include those for R&D and capital expenditures in the automobile segment and funding for the acquisition of financial assets in the sales finance business. To ensure stable funding sources for these activities, the Group works on enhancing operating cash flow, including optimization of working capital management, as well as efficiently utilizing cash surplus within the Group. For external funding, the Group has bank loans, issuance of commercial paper, issuance of bonds, and securitization of financial assets of the sales finance business. By combining funding options appropriate in each market, the Group has maintained low funding costs.
The Group will focus on investing in R&D and capital expenditures for accelerating electrified mobility, increasing accessibility and innovation in mobility, and creating a global ecosystem for mobility.
In the sales finance business where the Group provides loans and leases for customers and dealers, we constantly manage the quality of assets. Distribution of dividends to shareholders is decided considering various factors including profit and the state of the Group's free cash flow.
The Group constantly maintains sufficient liquidity to address geographical risks and unpredicted changes in the financial markets. The Group has maintained committed credit facilities with major international banks and the unused committed credit facilities available as of March 31, 2023 was ¥1,757.9 billion combining the facilities held by the automobile segment and the sales finance segment. These committed credit facilities as well as cash and cash equivalents of the automobile segment of ¥1,900.2 billion support the Group in maintaining liquidity at a sufficiently high level.
The Group's cost and issuance capability for unsecured funding generally depends upon the credit ratings of the Group. The Group's current long-term credit ratings by Moody's, Standard and Poor's, Fitch Ratings, and Rating and Investment Information, Inc.(R&I) as of May 31, 2023 are as follows. These credit ratings are not presented here with an intention of inviting the purchase or holding of the Group's debt securities. There are no financial debts or committed credit facilities of the Group which have clauses that require repayment acceleration or have drawdown restrictions triggered by a change in the Group's credit ratings.

	Moody's	S&P	Fitch Ratings	R&I
Long Term Credit Rating	Baa3	BB+	BBB-	A

In addition, to secure funds for sustainability initiatives which is at the core of our business, the Group launched a sustainable finance framework in July 2022. Funds raised through the framework will be used for a wide range of initiatives, including the development and production of electrified vehicles and batteries. The scope will also include technology development and infrastructure development for the creation of EV ecosystems, smart cities, and the development of mobility that is more safe and more sustainable.

5. Important business contracts

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

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

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

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

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

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

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

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

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

6. Research and development activities

The Group has been active in conducting research-and-development activities in the environment, safety and various other fields in order to realize a sustainable mobility society in the future.
The research and development costs of the Group amounted to ¥522.2 billion for the current fiscal year.
The Group's research and development organization and the results of its activities are summarized as follows:

(1) Research and development organization
In Japan, the Group's research and development activities are centered on the Nissan Technical Center (Atsugi City, Kanagawa Prefecture), with vehicle development handled by NISSAN AUTOMOTIVE TECHNOLOGY CO., LTD., and Nissan Shatai Co., Ltd., and unit development by JATCO Ltd., and other related companies, all of which work closely with the Company.
In the Western countries, Nissan North America, Inc. in the United States of America, Nissan Mexicana, S.A. De C. V. in Mexico, NISSAN MOTOR MANUFACTURING (UK) LIMITED in the United Kingdom and NISSAN MOTOR IBERICA SA in Spain are engaged in the design and development for some vehicle models. In addition, at the Alliance Innovation Lab Silicon Valley in the United States is conducting research of autonomous driving vehicles and our state-of-the-art Information and Communication Technology (ICT) development.
In Asia, NISSAN (CHINA) INVESTMENT CO., LTD., Dongfeng Motor Co., Ltd., a joint venture in China with Dongfeng Motor Group Co., Ltd., Yulon Nissan Motor Co., Ltd., a joint venture in Taiwan with Yulon Motor Co., Ltd., Nissan Motor Asia Pacific Co., Ltd. in Thailand and Renault Nissan Technology & Business Centre India Private Limited in India are engaged in design and design development for some vehicle models. In addition, the Alliance Automotive Research & Development (Shanghai) Co., Ltd., a joint venture company with Renault, was established in 2019 and conducts on research and development of autonomous driving vehicles, electric vehicles (EVs) and connected cars.
NISSAN DO BRASIL AUTOMOVEIS LTDA in South America and Nissan (South Africa) Proprietary Limited in South Africa also conducts some development work for locally produced vehicles.
Based on a roadmap of the "Alliance 2030" announced in January 2022, Renault, MITSUBISHI MOTORS CORPORATION and Nissan share respective roles in the development of next-generation technologies, platforms and powertrains to promote their common use in the pursuit of further efficiency in management resources.

(2) Development of new vehicles
In Japan, the Group launched the "Nissan Sakura," all-new "Fairlady Z," all-new "X-Trail" and all-new "Serena." Overseas, the Group launched the "Nissan Ariya" and all-new "Nissan Z" in North America, the "Nissan Ariya," all-new "X-Trail," "Qashqai e-POWER," "JUKE Hybrid**"** and "Townstar EV" in Europe, and the "Nissan Ariya" in China.

(3) Development of new technologies
In November of 2021, Nissan unveiled Nissan Ambition 2030, the company's new long-term vision for empowering mobility and beyond. Over the next ten years, Nissan will deliver exciting, electrified vehicles and technological innovations while expanding its operations globally. The vision supports Nissan's goal to be carbon neutral across the life cycle of its products by fiscal year 2050.
Based on customer demands for a diverse range of exciting vehicles, Nissan will introduce 27 new electrified vehicles, including new 19 EVs by fiscal year 2030 aiming for an electrification mix of more than 55% globally across the Nissan and INFINITI brands. In line with the progress of electrified vehicle penetration, Nissan's latest forecast for its global sales mix of electrified vehicles in fiscal year 2026 is expected to be 44%.
In addition, the Company intends to raise the competitiveness of its electrified vehicles through technological development of the all-solid-state batteries which excel in energy density and costs, and X-in-1 next-generation electric powertrain that will achieve considerable cost reduction through common use and modularization of major components such as motors and inverters in EVs and e-POWER.
As for EVs, following the "Nissan LEAF" and the "Nissan Ariya" sport utility vehicle (SUV), the Company launched the "Nissan Sakura," a mass-market electric minicar models, in Japan, and the "Townstar EV" light commercial van that also supports business use in Europe.
In addition to nimble handling enabled by the minicar models, the "Nissan Sakura" features the instant, smooth power and quietness that are the hallmarks of EVs, using the technology Nissan has cultivated through its development of the "Nissan LEAF." The Sakura is equipped with a lithium-ion battery that has a track record of performance and reliability in the "Nissan LEAF." Thanks to the special stacking method of its cells, the battery is compact, allowing the Sakura to have a spacious interior. Yet it offers a range of up to 180 km (based on WLTC Japan cycle), making it perfect for daily use. The "Nissan Sakura" was awarded 2022–23 Japan Car of the Year, 32nd (2023) RJC Car of the Year, and 2022–2023 JAHFA Car of the Year.
In terms of electrified mobility, the e-POWER system, which uses electricity generated by the gasoline engine and runs on the power of the motor has been adopted in 2016. The "X-Trail", launched in 2022, was awarded 2022-2023 Technology Car of the Year in recognition of the fact that it is equipped with more powerful and quiet e-POWER created by combining electrical power generation engines and the VC turbo variable compression ratio engine, as well as the new e-4ORCE electric drive four-wheel control technology on the 4WD model.

Along with this, the sales volume of the "Note" and "Note Aura" recorded the highest number of registered electrified vehicles* in the calendar year 2022 in Japan, including hybrid cars. (*Electrified vehicles mean vehicles running using entirely or partly electric energy stored in battery as motive power. Electrified vehicles ranking is based on the Nissan survey using the vehicle registration information (information of new registration of new vehicles) during a period from January 2022 to December 2022.) Furthermore, models with e-POWER have been developed for "Sylphy" in China and the "Qashqai" in Europe, to promote further deployment in the global market. The "Qashqai," with an enhanced lineup with the addition of the model equipped with Nissan's unique e-POWER technology, became the first British-built UK best-seller for Nissan. It was awarded the "Best Innovation" prize at the Auto Moto Grand Prix ceremony. In Mexico, the "Nissan Kicks e-POWER" was categorized as an EV model by the Mexican government and, accordingly, various preferential treatment has become available.

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

Reducing vehicle weight is one of the key challenges to improving fuel economy. The Group therefore focuses on three aspects: materials, structure rationalization and manufacturing methods. In terms of materials, the Group has been quick to expand the use of ultra-high-tensile strength steel that allows the coexistence of high strength and high formability features, and in recent years, also applying it to frame components for a wide variety of models from minicar models to INFINITI. Its application extended to the "Rogue," the "Qashqai" and the "Note" in 2020, and the "Nissan Ariya" in 2022. In the area of structure rationalization, the e-POWER system, which equips a newly designed motor and inverter, has been adopted in the "Note" launched in 2020, achieving a 6% increase in power output while reducing the weight of the motor by 15% and the inverter by 30%. Similar technologies were also applied for the "Nissan Sakura" in 2022. Furthermore, in the area of manufacturing methods, practical application of a new casting method called the V-LPDC (Vacuum Low Pressure Die Cast Process) is underway. This method was applied to the cylinder head of the 1.5-liter 3-cylinder turbo engine for the "Rogue," the "Qashqai" and other models, contributing to a 4% reduction in weight.

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

"Nissan Energy" is composed of the following three fields:

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

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

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

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

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

Beyond that, Nissan also takes part in the Electrify Japan "Blue Switch" program, an activity that aims to solve issues faced in Japan such as global warming, disaster prevention measures, promotion of renewable energy, revitalization of local tourism, and traffic issues by utilizing EVs. EVs are effective tools for utilizing renewable energy and can greatly contribute to realizing a decarbonized society, which is a global issue. As of March 31, 2023, 216 agreements have been made as cooperation with local governments and companies under the Blue Switch program.

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

In Japan, under the Japan New Car Assessment Program (JNCAP), the "Nissan Sakura" obtained the highest evaluation (5 Stars). In the United States of America, the "Nissan LEAF," "Nissan LEAF e+," "Versa," "Sentra," "Altima," "Maxima," "Rogue," "Rogue Sport AWD," "Murano" and INFINITI "QX50" obtained the highest evaluation (5 Stars) under the United States New Car Assessment Program (US-NCAP), whereas the "Pathfinder" and INFINITI "QX60" were recognized as "Top Safety Picks+ (TSP+)" and the "Rogue" was recognized as "Top Safety Picks (TSP)," respectively, by the Insurance Institute for Highway Safety (IIHS). In Europe, the "Nissan Ariya" obtained the highest evaluation (5 Stars) under the European New Car Assessment Program (Euro NCAP).

In addition, the Group promotes the adoption of driver assistance technology that can be expected to significantly reduce the number of traffic accidents. The Company has been selling the ProPILOT technology to reduce the burden on drivers since 2016 and the ProPILOT 2.0, which enables hands-off navigation-linked route driving in the same lane on highways, since 2019. The Group intends to continuously apply the ProPILOT technology to a wide variety of car models including minicar models.

Meanwhile, ProPILOT is garnering praise. In its latest assessment of assisted driving systems, European New Car Assessment Program (Euro NCAP) has ranked the ProPILOT with Navi-Link system fitted to the Nissan "Qashqai" as "very good," the highest possible rating, and the first time for a Nissan vehicle.

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

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

3. Equipment and Facilities

1. Overview of capital expenditures

The Group (the Company and its consolidated subsidiaries) invested ¥350.8 billion during this fiscal year, in particular, to accelerate the development of new products, safety and environmental technology and on efficiency improvement of the production system.

2. Major equipment and facilities

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

Notes: 1. "Other" in net book value consists of tools, furniture and fixtures and construction in progress.
2. "Number of employees" indicates the number of full-time employees. The figures in parentheses represent the average number of part-time employees during the year ended March 31, 2023, and are not included in the number of full-time employees.

(1) The Company

(As of March 31, 2023)

Location	Address	Description	Net book value						Number of employees
			Land		Buildings & structures	Machinery & vehicles	Other	Total	
			Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Persons)
Yokohama Plant	Kanagawa-ku and Tsurumi-ku, Yokohama-shi, Kanagawa	Automobile parts production facilities	505,434	370	25,440	36,996	3,983	66,789	2,322 (782)
Oppama Plant (including the Research Center)	Yokosuka-shi, Kanagawa	Vehicle production facilities	1,844,577	29,150	36,893	23,189	6,384	95,616	2,845 (862)
Tochigi Plant	Kaminokawa-cho, Tochigi	Vehicle production facilities	2,910,646	4,287	33,125	78,413	14,853	130,678	3,917 (1,541)
Nissan Motor Kyushu Co., Ltd. (Note 1)	Kanda-machi, Fukuoka	Vehicle production facilities	2,355,196	29,849	30,949	35,924	9,950	106,672	96 (12)
Iwaki Plant	Iwaki-shi, Fukushima	Automobile parts production facilities	205,489	3,545	6,523	17,442	1,767	29,277	605 (277)
Head Office departments and other	Atsugi-shi and Isehara-shi, Kanagawa	R&D facilities	1,356,094	25,416	63,242	22,369	15,933	126,960	9,491 (586)
	Nishi-ku, Yokohama-shi, Kanagawa	Head office	10,000	6,455	17,301	699	2,675	27,130	2,260 (124)

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

(2) Domestic subsidiaries

(As of March 31, 2023)

Company	Location	Address	Description	Net book value						Number of employees
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Persons)
JATCO Ltd	Fuji Office and other	Fuji-shi, Shizuoka, etc.	Automobile parts production facilities	1,023,808	16,051	21,735	43,850	10,770	92,406	4,224 (801)
Nissan Shatai Co., Ltd.	Shonan Plant and other	Hiratsuka-shi, Kanagawa, etc.	Vehicle production facilities	618,867	11,143	10,529	11,495	13,077	46,244	1,708 (230)
AICHI MACHINE INDUSTRY CO.,LTD.	Atsuta Plant and other	Atsuta-ku, Nagoya-shi, Aichi, etc.	Automobile parts production facilities	395,421	26,456	10,579	37,712	4,572	79,319	1,124 (349)
NISSAN NETWORK HOLDINGS COMPANY LIMITED	Head office and other	Yokohama-shi, Kanagawa, etc.	Facilities for automobile sales, etc.	3,075,062	337,344	82,375	16	6,180	425,915	33 (11)

(3) Foreign subsidiaries

(As of March 31, 2023)

Company	Location	Address	Description	Net book value						Number of employees (Persons)
				Land		Buildings & structures	Machinery & vehicles	Other	Total	
				Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	
Nissan North America, Inc.	Production plant for vehicles and parts and other facilities	Smyrna, Tennessee, Canton, Mississippi, USA, etc.	Production facilities for vehicles, parts and others	26,019,144	14,820	80,581	53,301	128,151	276,853	15,694 (1)
Nissan Mexicana, S.A. de C.V.	Production plant for vehicles and parts and other facilities	Morelos, Mexico, and Aguascalientes, Mexico	Production facilities for vehicles, parts and others	6,588,418	8,903	32,920	69,521	66,050	177,394	14,791 (20)
NISSAN MOTOR MANUFACTURING (UK) LIMITED	Production plant for vehicles and parts	Sunderland, Tyne & Wear, United Kingdom	Production facilities for vehicles and parts	3,225,711	2,167	21,273	18,401	48,375	90,216	6,189 (216)
Renault Nissan Automotive India Private Limited	Production plant for vehicles and parts	Oragadam, Kanchipuram District, India	Production facilities for vehicles and parts	2,468,582	3,101	13,221	18,552	20,121	54,995	4,898 (2)
Nissan Motor (Thailand) Co., Ltd.	Production plant for vehicles and parts	Bangsaothong, Samutpraken, Thailand	Production facilities for vehicles and parts	998,180	3,050	8,216	3,999	18,394	33,659	3,471 (17)
NISSAN DO BRASIL AUTOMOVEIS LTDA	Production plant for vehicles and parts and other facilities	Resende, Rio de Janeiro, Brazil	Production facilities for vehicles and parts and others	2,738,167	3,039	14,789	4,055	1,327	23,210	2,430 (78)

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

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

Major leased assets

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

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

Information by reportable segments

Reportable segments	Net book value						Number of employees
	Land		Buildings & structures	Machinery & vehicles	Other	Total	
	Area (m^2)	Amount (Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Persons)
Sales finance	7,839	42	4,235	1,992,341	4,891	2,001,509	4,752 (186)

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

3. Plans for new additions or disposals

(1) New additions and renovations
The Group plans capital investment of ¥440.0 billion in fiscal year 2023 (From April 1, 2023 to March 31, 2024) which will be funded with its own capital.

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

4. Corporate Information

1. Information on the Company's shares

(1) Number of shares and other

1) Number of shares

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

2) Number of shares issued

Type	Number of shares issued		Stock exchanges on which the Company is listed	Description
	As of March 31, 2023	As of June 30, 2023 (filing date of this Securities Report)		
Common stock	4,220,715,112	4,220,715,112	Prime Market of the Tokyo Stock Exchange	The number of shares constituting a standard unit is 100
Total	4,220,715,112	4,220,715,112	—	—

(2) Status of the share subscription rights

1) Stock option plans
Not applicable

2) Right plans
Not applicable

3) Other share subscription rights
Not applicable

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

Not applicable

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

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

Note: Decrease due to retirement of treasury stock

(5) Details of shareholders

(As of March 31, 2023)

Classification	Status of shares (1 unit = 100 shares)								Stocks of less than a standard unit
	National and local governments	Financial institutions	Securities companies	Other corporations	Foreign shareholders		Individuals and other	Total	
					Other than individuals	Individuals only			
Number of shareholders (Persons)	1	56	59	2,310	769	1,997	541,118	546,310	—
Number of shares held (Units)	50	6,531,482	664,994	700,166	26,296,559	34,071	7,970,805	42,198,127	902,412
Shareholding Ratio (%)	0.00	15.48	1.57	1.66	62.32	0.08	18.89	100.00	—

Note: Treasury stock of 25,094,619 shares is included in "Individuals and other" at 250,946 units, and in "Stocks of less than a standard unit" at 19 shares.

(6) Principal shareholders

(As of March 31, 2023)

Name	Address	Number of shares held (Thousands)	Number of shares (excluding treasury stock) held as a percentage of total shares issued (%)
Renault S.A. (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	122-122 BIS AVENUE DU GENERAL LECLERC 92100 BOULOGNE-BILLANCOURT, FRANCE (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	1,831,837	43.7
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	423,020	10.1
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	132,525	3.2
THE CHASE MANHATTAN BANK, N.A., LONDON (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (Note)	WOOLGATE HOUSE, COLEMAN STREET, LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	126,342	3.0
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	40,234	1.0
Nippon Life Insurance Company (Standing agent: The Master Trust Bank of Japan, Ltd.)	1-6-6 Marunouchi, Chiyoda-ku, Tokyo Nippon Life securities management portion (2-11-3 Hamamatsu-cho, Minato-ku, Tokyo)	37,820	0.9
Moxley and Co LLC (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	270 PARK AVENUE., NEW YORK, NY 10017, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	28,639	0.7
JP Morgan Chase Bank 385781 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	25,787	0.6
SSBTC CLIENT OMNIBUS ACCOUNT (Standing agent: Custody Operations Division, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	25,330	0.6
THE BANK OF NEW YORK MELLON 140044 (Standing agent: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. (Shinagawa Intercity A Bldg., 2-15-1 Konan, Minato-ku, Tokyo)	21,465	0.5
Total	—	2,692,999	64.3

Notes: 1. In addition to the above, the Company holds 25,095 thousand shares of treasury stock.

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

(7) Status of voting rights

1) Shares issued

(As of March 31, 2023)

Classification	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares with full voting rights (Treasury stock, etc.)	(Treasury stock) Common stock 25,094,600	—	—
	(Crossholding stock) Common stock 165,400	—	—
Shares with full voting rights (Others)	Common stock 4,194,552,700	41,945,527	—
Stocks of less than a standard unit	Common stock 902,412	—	—
Total shares issued	4,220,715,112	—	—
Total voting rights held by all shareholders	—	41,945,527	—

Note: "Stocks of less than a standard unit" include 19 shares of treasury stock.

2) Treasury stock, etc.

(As of March 31, 2023)

Shareholders	Addresses of shareholders	Number of shares held under own name	Number of shares held under the names of others	Total	% of interest
		Shares	Shares	Shares	%
Treasury stock: Nissan Motor Co., Ltd.	2 Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	25,094,600	—	25,094,600	0.59
Crossholding stock:					
Kochi Nissan Prince Motor Sales Co., Ltd.	2-21 Asahi-cho, Kochi-shi, Kochi	105,600	—	105,600	0.00
Kai Nissan Motor Co., Ltd.	706 Kamiimai-cho, Kofu-shi, Yamanashi	—	54,900	54,900	0.00
Kagawa Nissan Motor Co., Ltd.	1-1-8 Hanazono-cho, Takamatsu-shi, Kagawa	4,800	100	4,900	0.00
Total		25,205,000	55,000	25,260,000	0.60

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

2. Acquisition of treasury stock

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

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

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

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

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

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2023, to the filing date of this Securities Report.

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

Classification	Current fiscal year		Period for acquisition	
	Number of shares (Thousands)	Total disposition amount (Millions of yen)	Number of shares (Thousands)	Total disposition amount (Millions of yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	—	—	—	—
Acquired treasury stock for which transfer of shares was conducted in association with merger/stock exchange/share issuance/corporate separation	—	—	—	—
Other (Disposal of treasury stock for restricted stock unit system)	2,144	2,167	—	—
Number of shares of treasury stock held	25,095	—	25,095	—

Note: "Treasury stock acquired during the period for acquisition" does not include the number of stocks of less than a standard unit purchased during the period from June 1, 2023, to the filing date of this Securities Report.

3. Dividend policy

The Company positions the return of profits to shareholders as one of the most important management policies. The return of profits to shareholders mainly consists of the distribution of dividends, and the Company aims to ensure the stable distribution of dividends while taking into account the level of cash on hand, past records and forecasts of profits and free cash flows, the required investment for the future, and other factors.
As the Company has determined in its articles of association that the Company may distribute interim dividends as stipulated in Article 454, Paragraph 5, of the Companies Act, the final decision-making organization is the Board of Directors for the interim dividend with a record date of September 30, and a general meeting of the shareholders for the year-end dividend.
As for the distribution of dividends from surplus for the year ended March 31, 2023, the Company determined to pay an interim dividend of ¥0 per share and a year-end dividend of ¥10 per share, resulting in an annual amount of ¥10 per share.
The Company intends to apply its internal reserve to preparations for future business development and R&D costs.

Note: Dividends from surplus for which the record date belongs to the fiscal year ended March 31, 2023, are as follows:

Date of resolution		Total dividend amount (Millions of yen)	Dividend per share (Yen)
November 9, 2022	Resolution at the Board of Directors meeting	—	—
June 27, 2023	Resolution at the annual general meeting of shareholders	39,174	10

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

4. Corporate governance

(1) Status of corporate governance

1) Basic corporate governance policy

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

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

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

As noted in "Basic corporate governance policy" above, the Company has adopted a three statutory committee format, which can clearly separate management functions and supervisory, oversight and auditing functions, for the purpose of improving the transparency of the decision-making process and of conducting speedy and agile business execution.
The Company's Board of Directors, led by the independent outside directors, shall decide the basic direction of management by taking a variety of perspectives into account and plays the role of supervising the directors and executive directors. The number of directors is a number appropriate to facilitate lively discussions and swift decision-making. In order to create an environment where discussions in meetings of the Board of Directors are led by the independent outside directors, a majority of the directors is independent outside directors and the Board Chair is also an independent outside director. The Board of Directors shall decide on basic management policies and important matters set forth under the law, articles of incorporation and the regulations of the Board of Directors and, in order to carry out effective and flexible management, as a general rule, the Board of Directors delegates a great portion of its power to decide on business activities (excluding matters exclusive to the Board of Directors under law) to executive officers.

For the composition of the Board of Directors and each committee, refer to the 3) Activities of the Board of Directors and each committee during this fiscal year.

Executive officers decide on business activities which are delegated in accordance with the resolutions of the Board of Directors and executes the business of the Company group. Currently, five (5) executive officers, of which one (1) is Representative executive officers, are appointed as described in (2) Members of the Board of Directors and Statutory Auditors. Several conference bodies have been established to deliberate on and discuss important corporate matters and the execution of daily business affairs. Furthermore, in the pursuit of more efficient and flexible management, the authority for business execution is clearly delegated as much as possible to corporate officers and employees.

3) Activities of the Board of Directors and each committee during this fiscal year

i) Activities of the Board of Directors

Based on the laws and the Regulations of the Board of Directors, the Board of Directors makes decisions on important matters related to the Company's group management such as the draft agenda of general meeting of shareholders, members of each committee, quarterly and full year financial results, business plans, and product strategies. During this fiscal year, a majority (seven) of the 12 members of the Board of Directors are independent outside directors, including the Chairman of the Board.

The Board of Directors consists of twelve (12) directors in this fiscal year. Of the 12 directors, seven (7) are outside directors: Yasushi Kimura, Masakazu Toyoda, Keiko Ihara, Motoo Nagai, Bernard Delmas, Andrew House and Jenifer Rogers. The Board of Directors has appointed Yasushi Kimura as the Board Chair and Jean-Dominique Senard as the Vice Board Chair. Masakazu Toyoda is acting as the lead independent outside director.

Agenda items submitted to the Board of Directors meeting during this fiscal year are as follows:

- Regular reports on the business execution status and progress of Nissan NEXT, the business structure reform plan
- Agreement on new initiatives for the Alliance framework
- Report on the withdrawal from Russia business
- Regular reports on activities related to internal control and risk management
- Revision of the Corporate Governance report

Regular meetings with outside directors chaired by the lead independent director are held to discuss a wide range of matters related to Nissan's corporate governance and business. During this fiscal year, outside directors held multiple discussions with executive side toward the agreement on new initiatives for the Alliance framework announced on February 6th, 2023, and toward the conclusion of the individual contracts based on the agreement thereafter.

The Board of Directors also held sessions between the independent directors and independent auditors in order to exchange views on subjects such as sustainability disclosure, industrial supply chain trends based on the latest geostrategic scenario, twice this fiscal year.

ii) Activities of the each Committee

●Nomination Committee

During this fiscal year, the Board of Directors appoints the committee chair from an Independent director and appoints six committee members, five of whom are Independent directors. The Nomination Committee has the authority to determine the content of the general shareholders meeting agenda concerning the appointment and dismissal of Directors. In addition, the committee has the authority to decide on the content of the Board of Directors meeting agenda concerning the appointment and dismissal of the Representative Executive Officer and the authority to formulate an appropriate succession plan regarding the President and Chief Executive Officer.
The Nomination Committee consists of six (6) directors in this fiscal year: Masakazu Toyoda (the chair), Yasushi Kimura, Keiko Ihara, Motoo Nagai, Andrew House and Jean-Dominique Senard.

The Nomination Committee's activities during this fiscal year are as follows:
・Discussed Representative Executive Officer's appointment proposal
・Discussed director's appointment proposal to be submitted to 124th Ordinary General Shareholders meeting
・Discussed the President and Chief Executive Officer's succession plan process

●Compensation Committee

During this fiscal year, all four members of the Compensation Committee are Independent directors, including the Chair. The Compensation Committee has the statutory authority to determine the policy of individual compensation of the Company's directors and executive officers and the contents of individual compensation for directors and executive officers.
The Compensation Committee consists of four (4) directors in this fiscal year: Keiko Ihara (the chair), Bernard Delmas, Motoo Nagai, and Jenifer Rogers.

The Compensation Committee's activities during this fiscal year are as follows:
・Confirm a policy for compensating directors and executive officers;
・Select benchmark companies and discuss the level of compensation based on the benchmark results of these companies and the results of surveys conducted by external compensation consultants;
・Determine the aggregate and individual amounts of director and executive officer compensation for FY2022.

●Audit Committee

During this fiscal year, the Chair is an Independent director, and 4 out of 5 members are Independent directors. The Audit Committee has adequately qualified and able directors (including the ability to collect information within Nissan and experience and/or expertise in international audits. In addition, these directors should have worked as an auditor, accountant or other professional in the field of finance.) and shall perform audits of executive officers' business execution. As part of audits on business execution including the organization and operation of Nissan's internal control systems, the Audit Committee receives reports from executive officers, corporate officers, and employees on their business execution for Nissan and its group companies, in accordance with the Audit Committee's annual audit plan and on an ad-hoc basis as necessary. In addition, the Chair has meetings with executive officers including the President and Chief Executive Officer periodically and exchanges opinions in various areas. Furthermore, the Chair attends important meetings etc. to state his opinions, reviews internal approval documents and other important documents, and, when necessary, requests explanations or reports from executive officers, corporate officers, and employees. The Chair shares his collected information with other members of the Audit Committee in a timely manner.

The Audit Committee, in conducting its audits, cooperates with the internal audit department and the independent auditors in an appropriate manner, to enhance the effectiveness of "tri-parties" audit. Under the leadership of the Audit Committee, collaboration among three parties is contributing to the enhancement of the effectiveness of internal control systems by sharing information on the issues pointed out by their respective audits and the status of their remediation in a timely manner. Furthermore, the Audit Committee supervises the internal audit department, periodically receives reports from them on the progress and results of their internal audit activities conducted in accordance with their internal audit plan and, as necessary, provides instructions regarding internal audits.
The Audit Committee is the contact point for whistleblowing with concerns regarding the involvement of management such as executive officers and deals with whistleblowing by establishing a system where relevant executive officers cannot identify the whistleblower and the content of whistleblowing.
The Audit Committee consists of five (5) directors in this fiscal year: Motoo Nagai (the chair), Yasushi Kimura, Masakazu Toyoda, Jenifer Rogers, and Pierre Fleuriot.

The Audit Committee set the following as key audit items for this fiscal year. The Audit Committee considered and deliberated each item at the meeting repeatedly, and made recommendations to the execution side as needed. In addition to the items listed as priority audit items, the Audit Committee also worked on non-priority audit items as activities during this fiscal year.
The detailed status of important audit items, other audit items, and the main activities of the Committee related to the above in each month of this fiscal year are described in (3) Status of Audit.

Board of Directors Meeting and each Committee status of attendance of each member in FY2022 is as follows:

Name	Meeting and Committee Status of Attendance			
	Board of Directors Meeting	Nominating Committee	Compensation Committee	Audit Committee
Yasushi Kimura *	◎100%（13/13）	100%（9/9）	—	100%（12/12）
Jean-Dominique Senard**	92%（12/13）	100%（9/9）	—	—
Masakazu Toyoda *	100%（13/13）	◎100%（9/9）	—	100%（12/12）
Keiko Ihara *	100%（13/13）	100%（9/9）	◎100%（12/12）	—
Motoo Nagai *	100%（13/13）	100%（9/9）	100%（12/12）	◎100%（12/12）
Bernard Delmas *	100%（13/13）	—	100%（12/12）	—
Andrew House *	100%（13/13）	100%（9/9）	—	—
Jenifer Rogers *	100%（13/13）	—	100%（12/12）	100%（12/12）
Pierre Fleuriot**	92%（12/13）	—	—	100%（12/12）
Makoto Uchida	100%（13/13）	—	—	—
Ashwani Gupta	100%（13/13）	—	—	—
Hideyuki Sakamoto	100%（13/13）	—	—	—

Notes: 1. (   ) indicates the number of attended/the number of meetings held during office.
2. ◎ indicates the chairman or chairperson.
3. * indicates an independent outside director.
4. ** Mr. Jean-Dominique Senard and Mr. Pierre Fleuriot did not attend one Board of Directors meeting at which matters relating to Renault were deliberated, in accordance with a policy for resolution of conflict of interest, taking into account their concurrent positions in Renault.

4) Other matters related to corporate governance

1. Status of the Company's internal control systems

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

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

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

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

a. The Company implements the "Global Code of Conduct," which explains acceptable behaviors of all employees working at the group companies of the Company worldwide and promotes understanding of our rules of conduct.
b. In order to ensure rigorous and strict compliance with the code of conduct, the Company and its group companies offer educational programs such as an e-learning system.
c. With regard to members of the Board of Directors as well as executive officers, etc. of the Company, the Company shall establish "Guidance for directors, executive officers, etc.," which explains the acceptable behaviors of the members of the Board of Directors and executive officers.
d. The Company stands firm and takes appropriate actions against anti-social forces or groups. If any director, corporate officer or employee is approached by such forces or groups, the said individual shall promptly report such matter to his/her superiors and specific committee, and shall follow their instructions.
e. All directors, corporate officers and employees are encouraged to use good conduct, and to neither directly nor indirectly, be involved in any fraud blackmail or other improper or criminal conduct. In cases of becoming aware of any such impropriety or illegal activity, or the risk thereof, in addition to acting resolutely against it, he/she shall promptly report such matter to his/her respective superiors and specific committee, and shall follow their instructions.
f. For the purpose of monitoring and ensuring compliance with the code of conduct, the Company establishes the Global Compliance Committee. The compliance topics detected by the Global Compliance Committee, which are related to executive officers of the Global Head Quarters and the chair of the Management Committee are directly reported to the Audit Committee.
g. The Company implements a hotline system with internal and external points of contact, by which the employees are able to submit their opinions, questions and requests, as well as report an act that may be suspected as a violation of compliance, freely and directly to the Company's management. The Company has established the system where, as for the matters with doubt of involvement of the management such as executive officers, etc., related executive officers, etc. do not be able to gain knowledge of the whistleblower or the detail of the report by making the Audit Committee the body to report to.
h. The Company is committed to continually implementing relevant company rules. The Company continually offers education programs to employees as part of its program to promote the understanding and compliance with such corporate rules.
i. The Company is committed to improve and enhance the internal control systems to ensure accuracy and reliability of its financial reports in accordance with the Financial Instruments and Exchange Act together with its related rules and standards. This is accomplished through adherence to J-SOX testing, review, and reporting protocols (required under the Financial Instruments and Exchange Act). The Company designs and effectively operates processes. Further the Company addresses identified accounting and internal control findings.
j. The Board of Directors appoints outside directors that has independency (independent outside director) for the majority of its members and for its chair and shall focus on supervising the status of execution of duties by executive officers by taking a number of measures such as periodically receive reports from executive officers, periodically hold meetings only with the independent outside directors, establish a lead independent outside director, enhance the secretariat's personnel and function, and secure independency and further, shall receive assessment from a third party evaluation organization in respect to its functionality once every three years.
k. The Audit Committee appoints independent outside director for a majority of its member and as its chair and also appoint adequately qualified and able Director and shall perform audit of executive officers' status of business execution. In addition, the Audit Committee shall appropriately audit the effectiveness with regard to the monitoring function of the Board of Directors on an ongoing basis.
l. The Company shall establish a department under the Audit Committee specialized in internal audit for the purpose of regularly auditing group companies' business and their observance of processes, policies, laws, and other matters as appropriate. Regional internal audit departments have been established to perform internal audits under the supervision of Nissan's global internal audit department.
m. The Audit Committee shall, as necessary, cooperate with the Nomination Committee and the Compensation Committee.
n. Considering the possibilities of conflict of interest between Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION, which is one of the other parties of the Alliance, and the Company, Representative executive officer must not concurrently serve as a director, executive officer, or any other officer or other positions of Renault, other major shareholders or MITSUBISHI MOTORS CORPORATION and the subsidiaries and affiliates thereof. If an executive officer concurrently serves in such position upon assuming the office of Representative executive officer of the Company, he/she and the Company shall promptly take necessary measures to leave such position at the other company.
o. If a director has held the position of director, executive officer or other positions with a title at Renault, other shareholders or MITSUBISHI MOTORS CORPORATION or its subsidiaries and affiliates thereof, such director shall not participate in the deliberation and resolution of an agenda raised at the Company's meeting of Board of Directors that may cause a conflict of interest between the company in which the director has held a position and the Company.
p. The Company's activities relating to the Nissan-Renault- MITSUBISHI MOTORS CORPORATION Alliance, including operational functions under common-management, are subject to direction, supervision and oversight by the company's Board of Directors, Executive Committee and relevant executive officers, etc. Decision-making occurs by the Company's Board of Directors, executive officers or employees in accordance with the Company's Delegation of Authority, and as otherwise necessary to comply with legal and regulatory requirements and also in consideration of the possibility of conflict of interest between the Company and Renault or the Company and MITSUBISHI MOTORS CORPORATION.
q. Upon newly establishing or changing the organization internally, the Company shall not adopt a structure where the authority is divided in a way which may possibly inhibit the check function of the legal, accounting, financial and other managerial departments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Company's articles of association stipulates that the Company may enter into the agreement with directors (excluding executive directors and the like) limiting their liability as prescribed in Article 423, Paragraph 1 of the Companies Act and, pursuant to the said agreement, the liability limit shall be ¥5 million or the statutory minimum liability amount, whichever is higher. According to this Article, the Company entered into the said agreement with six (6) directors (excluding executive directors and the like).

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

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

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

1) List of executives

10 males, 3 females (female ratio of 23%), 7 Japanese, 6 foreigners.

a. Directors

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Board Chair, Member of Nomination Committee, Member of Audit Committee	Yasushi Kimura	February 28, 1948	1970	April	Joined Nippon Oil Corporation	One year from June 2023	9
			2002	June	Director of Nippon Oil Corporation		
			2007	June	Director, Senior Vice President of Nippon Oil Corporation		
			2010	April	Director of JX Holdings, Inc.		
			2010	July	Representative President, of JX Nippon Oil & Energy Corporation		
			2012	May	Chairman of Petroleum Association of Japan		
			2012	June	Representative Chairman of the Board of JX Holdings, Inc.		
					Representative Chairman of the Board of JX Nippon Oil & Energy Corporation		
			2014	June	Director of NIPPO Corporation		
					Vice Chairman of Japan Business Federation		
			2017	April	Representative Chairman of JXTG Holdings, Inc.		
			2018	June	Senior Executive Advisor of JXTG Holdings, Inc.		
			2019	June	Director of the Company (Current position)		
					Senior Corporate Advisor of JXTG Holdings, Inc. (currently, ENEOS Holdings, Inc.)		
					Outside Director of INPEX CORPORATION		
Director, Vice Board Chair, Member of Nomination Committee	Jean-Dominique Senard	March 7, 1953	1996	October	Chief Financial Officer of Pechiney and a member of its Group Executive Council	One year from June 2023	21
			2005	March	Chief Financial Officer of Michelin and a member of the Michelin Group Executive Council		
			2007	May	Managing Partner of the Michelin Group		
			2011	May	Managing General Partner of the Michelin Group		
			2012	May	Chief Executive Officer of the Michelin Group		
			2012	June	Outside Director of Saint-Gobain (Current position)		
			2019	January	Chairman of the Board of Directors of Renault (Current position)		
			2019	April	Director of the Company (Current position)		
			2019	May	Supervisory Board Member of Fives s.a.s (Current position)		
Director, Member of Compensation Committee, Member of Audit Committee	Bernard Delmas	April 21, 1954	1979	May	Joined Michelin	One year from June 2023	2
			1995	September	President of Michelin Research Asia		
			2007	September	President and CEO of Nihon Michelin Tire Co., Ltd.		
					President and CEO of Michelin Korea Tire Co., Ltd.		
			2009	October	Senior Vice President of Michelin Group		
			2010	February	President of the French Chamber of Commerce and Industry in Japan		
			2015	June	Outside Director of Ichikoh Industries, Ltd.		
			2015	November	Chairman of the Board of Nihon Michelin Tire Co., Ltd.		
			2016	November	Chairman of Nihon Michelin Tire Co., Ltd.		
			2018	February	Senior Advisor of Michelin Group		
			2019	June	Director of the Company (Current position)		

Position	Name	Date of birth	Career profile			Term of office (period)	Number of shares owned (Thousands)
Director, Chair of Compensation Committee, Member of Nomination Committee	Keiko Ihara	July 4, 1973	2013 2013 2015 2015 2015 2016 2018 2020 2020	January April April July September June June April October	Fédération Internationale de l'Automobile (FIA) Asian representative for the Women in Motorsports Commission and female representative for the FIA Drivers Commission Special Guest Associate Professor at Keio University Graduate School of Media Design Member of Industrial Structure Council (Development Committee for 2020 and Beyond), Japan Ministry of Economy, Trade and Industry Member of Japan House Advisory Board, Japan Ministry of Foreign Affairs Guest Associate Professor at Keio University Graduate School of Media Design Outside Director of SOFT99 corporation (Current position) Director of the Company (Current position) Project Professor at Keio University Graduate School of Media Design (Current position) Representative Director of Future, Inc. (Current position)	One year from June 2023	21
Director, Chair of Audit Committee, Member of Nomination Committee, Member of Compensation Committee	Motoo Nagai	March 4, 1954	1977 2005 2007 2011 2011 2014 2014 2015 2019	April April April April June April June June June	Joined The Industrial Bank of Japan Ltd. Corporate Officer of Mizuho Corporate Bank, Ltd. Managing Executive Officer of Mizuho Corporate Bank, Ltd. Deputy President (Executive Officer) of Mizuho Trust & Banking Co., Ltd. Deputy President (Executive Officer and Director) of Mizuho Trust & Banking Co., Ltd. Advisor of Mizuho Trust & Banking Co., Ltd. Statutory Auditor of the Company Outside Statutory Auditor of Organo Corporation Outside Director of Organo Corporation Outside Statutory Auditor of Nisshin Seifun Group Inc. Director of the Company (Current position) Outside Director of Nisshin Seifun Group Inc. (Current position)	One year from June 2023	28
Director, Chair of Nomination Committee, Member of Compensation Committee	Andrew House	January 23, 1965	1990 2005 2011 2016 2017 2018 2018 2019 2021 2022	October October September April October April October June May March	Joined Sony Corporation Group Executive and Chief Marketing Officer of Sony Corporation Group Executive, President and Global CEO of Sony Computer Entertainment EVP, President and Global CEO of Sony Interactive Entertainment EVP and Chairman of Sony Interactive Entertainment Strategic Advisor of Intelity (Current position) Executive Mentor of Merryck & Co., Ltd. (currently, The ExCo Group) (Current position) Director of the Company (Current position) Outside Director of Nordic Entertainment Group (currently, Viaplay Group) (Current position) Outside Director of Dentsu Group Inc. (Current position)	One year from June 2023	4

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Director, Member of Audit Committee	Brenda Harvey	November 22, 1965	1986 June	Joined International Business Machines Corporation (IBM)	One year from June 2023	—
			2006 September	General Manager of Integrated Technology Services North America, Global Product Offering Management		
			2011 August	General Manager of Integrated Technology Services, Growth Markets		
			2014 July	General Manager of IBM US Public Sector		
			2017 August	Board Member of Plum Alley Investment		
			2020 January	Chairman and CEO of IBM Asia Pacific		
			2020 July	Board Member of Singapore International Chamber of Commerce Director (Current Position)		
			2022 January	General Manager of Technology IBM Financial Services		
			2023 January	General Manager of IBM Public Sector, Healthcare, and Federal Government (Current Position)		
			2023 June	Director of the Company (Current position)		
Director, Member of Audit Committee	Pierre Fleuriot	January 31, 1954	1981 June	Financial auditor (Inspecteur des finances)	One year from June 2023	—
			1985 September	Advisor to the chairman and head of market research of the French market authority of Commission des Opérations de Bourse		
			1991 January	General Manager of the French market authority of Commission des Opérations de Bourse		
			1997 September	ABN AMRO France		
			2009 November	Chief Executive Officer of Credit Suisse France		
			2016 April	Chairman of PCF Conseil & Investissement (France) (Current Position)		
			2018 June	Lead Independent Director of Renault (Current Position)		
			2020 February	Director of the Company (Current position)		
Director	Makoto Uchida	July 20, 1966	1991 April	Joined Nissho Iwai Corporation	One year from June 2023	210
			2003 October	Joined the Company		
			2014 April	Program Director of the Company		
			2016 November	Corporate Vice President of the Company		
			2018 April	Senior Vice President of the Company Director of Dongfeng Motor Co., Ltd. (Current position) President of Dongfeng Motor Co., Ltd.		
			2019 December	Representative Executive Officer, President and Chief Executive Officer of the Company (Current position)		
			2020 February	Director of the Company (Current position)		
Director	Hideyuki Sakamoto	April 15, 1956	1980 April	Joined the Company	One year from June 2023	102
			2005 April	Chief Vehicle Engineer of the Company		
			2008 April	Corporate Vice President of the Company		
			2012 April	Senior Vice President of the Company		
			2014 April	Executive Vice President of the Company		
			2014 June	Director, Executive Vice President of the Company		
			2018 August	Chairman of the Board of AICHI MACHINE INDUSTRY CO.,LTD. (Current position)		
			2018 September	Chairman of the Board of JATCO Ltd.		
			2019 June	Executive Officer, Executive Vice President of the Company (Current position) Outside Director of MITSUBISHI MOTORS CORPORATION (Current position)		
			2020 February	Director of the Company (Current position)		
Total						397

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

2. The term of office of the Directors shall be from the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ended March 31, 2023, to the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2024.

b. Executive Officers

Position	Name	Date of birth	Career profile		Term of office (period)	Number of shares owned (Thousands)
Representative Executive Officer, President and Chief Executive Officer	Makoto Uchida	July 20, 1966	*Please see a. Directors		One year from June 2023	210
Executive Officer, Chief Financial Officer	Stephen Ma	November 6, 1970	1996 June 2003 June 2006 December 2012 April 2018 September 2019 December	Joined Nissan North America, Inc. General Manager of Dongfeng Motor Co., Ltd. Senior Manager of the Company CFO of Dongfeng Motor Co., Ltd. Corporate Vice President of the Company Executive Officer, Chief Financial Officer of the Company (Current position)	One year from June 2023	147
Executive Officer, Executive Vice President	Hideyuki Sakamoto	April 15, 1956	*Please see a. Directors		One year from June 2023	102
Executive Officer, Executive Vice President	Asako Hoshino	June 6, 1960	1983 April 1989 August 2001 April 2002 April 2006 April 2014 April 2015 April 2019 May 2019 June 2019 August	Joined Nippon Credit Bank, Co., Ltd. Senior Consultant of Marketing Intelligence Corporation Executive Director and Chief Marketing Officer of INTAGE Inc. (former Marketing Intelligence Corporation) Vice President of the Company Corporate Officer of the Company Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position) Director of Dongfeng Motor Co., Ltd. (Current position)	One year from June 2023	120
Executive Officer, Executive Vice President	Kunio Nakaguro	September 23, 1963	1987 April 2008 April 2009 April 2013 April 2014 February 2014 April 2018 April 2019 May 2019 June	Joined the Company General Manager of the Company SVP of Nissan International SA Corporate Officer of the Company Corporate Officer of the Company, SVP of Nissan North America, Inc. Corporate Vice President of the Company Senior Vice President of the Company Executive Vice President of the Company Executive Officer, Executive Vice President of the Company (Current position)	One year from June 2023	7
Total						586

Notes: 1. The term of office of the Executive Officers shall be from the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ended March 31, 2023, to the conclusion of the first Board of Directors meeting to be held after the conclusion of the annual general meeting of the shareholders pertaining to the fiscal year ending March 31, 2024.

2. The Company sets up a Corporate Officer system in order to revitalize the Board of Directors by segregating decision-making and control functions from the executive functions and to enable capable individuals to be appointed based solely on their ability.
The number of Executive Officers and Corporate Officers is 51, consisting of 35 Japanese and 16 foreigners, 47 men and 4 women (female ratio of 8% of the Executive Officers and Corporate Officers), and including the 5 Executive Officers listed above Makoto Uchida, Stephen Ma, Hideyuki Sakamoto, Asako Hoshino and Kunio Nakaguro. The 46 other members are as follows: Joji Tagawa, Hideaki Watanabe, Noboru Tateishi, Toru Ihara, Takao Asami, Takashi Hata, Rakesh Kochhar, Hari Nada, Alfonso Albaisa, Atul Pasricha, Leon Dorssers, Ivan Espinosa, Shohei Yamazaki, Guillaume Cartier, Toshihiro Hirai, Hiroki Hasegawa, Yasuhiko Obata, Jeremie Papin, Junichi Endo and Hitoshi Mano (Senior Vice Presidents); Mitsuro Antoku, Kinichi Tanuma, Yukio Ito, Catherine Perez, Jose Roman, Eiichi Akashi, Teiji Hirata, Kazuhiko Murata, Takeshi Yamaguchi, Sadayuki Hamaguchi, Takahiko Ikushima, Mike Colleran, Yasunobu Matoba, Tamotsu Yamada, Kazuhiro Doi, Yutaka Sanada, Naoya Fujimoto, Manabu Sakane, Anish Baijal, Masaaki Kanda, Kazuyuki Yamaguchi, George Leondis, Michelle Baron, Keiichi Sato, Allyson Witherspoon and Takashi Yoshizawa (Corporate Vice Presidents), and Shunichi Toyomasu as Fellow.

2) Status of outside directors

In order to secure a diversity of viewpoints, the Company considers the following factors upon deciding agenda items related to the appointment of directors to be submitted to the general meeting of shareholders:
(a) Diversity (including diversity of nationality and gender); and
(b) Expertise and experience that will contribute to discussions by the Board of Directors, and diversity thereof.
In addition, taking into account the trends of independence standards in Japan and international capital markets, the Company set forth Independence Standards for outside directors. Currently, six (6) outside directors satisfy such Independence Standards, and the Company has determined that there is no risk of a conflict of interest with ordinary shareholders.

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

Outside director Yasushi Kimura has experience serving as top management in a key industry in Japan. He also has wealth of experience and deep insight in corporate management and leadership experience in Japan Business Federation (Keidanren), as well as Chairman of Petroleum Association of Japan (PAJ). The Company expects him to continuously contribute to the Company through his Global management, ESG, and Sales/Marketing skills. Since his inauguration in June 2019, Mr. Kimura has supervised the companies' overall management providing an objective and broad perspective as the Chair of the Board of Directors, Member of the Nomination Committee, Member of the Audit Committee during this fiscal year and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Keiko Ihara has wealth of experience and deep insight in the auto industry as an international female racing driver, being many years involved with domestic and global auto makers including technology development and popularization of eco-friendly car and MaaS research at University research institute. Also, Ms. Ihara has an extensive business experience leading organizational governance and talent development in international organization. The Company expects her to continuously contribute to the Company through her Global management, Automobile Industry, ESG, and Digital Transformation skills. Since her inauguration in June 2018, Ms. Ihara has supervised the companies' overall management providing an objective and broad perspective as the Chair of the Compensation Committee, Member of the Nomination Committee during this fiscal year, and she has fulfilled the duties of outside director. Therefore, the Company appointed her as an outside director for Nissan.
Outside director Motoo Nagai has strong experience and deep insight on risk management gained through executive leadership positions in institutions including Mizuho Corporate Bank and Mizuho Trust & Banking Co., Ltd. The Company expects him to continuously contribute to the Company through his Global management, Legal/Risk Management, Finance/Accounting and ESG skills. Since his inauguration as full-time Statutory Auditor in 2014, Mr. Nagai has wealth of management experience in Nissan and from June 2019, he has supervised the Companies' overall management providing an objective and broad perspective as the Chair of the Audit Committee, Member of the Nomination Committee during this fiscal year, Member of the Compensation Committee and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Bernard Delmas has extensive international business experience in the automotive industry. He has wealth of experience and deep insight in management of R&D, business planning, and managing the cross-functional organization. The Company expects him to continuously contribute to the Company through his Global management, Automobile Industry, and Product/Technology skills. Since his inauguration in June 2019, Mr. Delmas has supervised the companies' overall management providing an objective and broad perspective as the Member of the Compensation Committee during this fiscal year and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Andrew House has wealth of experience and deep insight in international business management, understanding of customer needs and consumer products, and emerging technologies through key roles in global companies. Having worked both inside and outside Japan, he has a strong cross-cultural perspective. The Company expects him to continuously contribute to the Company through his Global management, Product/Technology, and Sales/Marketing skills. Since his inauguration in June 2019, he has supervised the companies' overall management providing an objective and broad perspective as the Member of the Nomination Committee during this fiscal year and he has fulfilled the duties of outside director. Therefore, the Company appointed him as an outside director for Nissan.
Outside director Brenda Harvey has wealth of experience and deep insight in digital transformation, business transformation, and IT technology trends through key roles in global companies. Having worked in multiple countries, she has a strong cross-cultural perspective. The Company expects her to contribute to the Company through her Global management, Product/Technology, and Sales/Marketing skills and to fulfill the duties of outside director. Therefore, the Company newly nominates her as an outside director for Nissan.

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

< Nissan Motor Company Director Independence Standards >

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

1. A person who is, or has been within the past 10 years, an executive director, executive officer (shikko-yaku), corporate officer (shikko-yakuin), general manager (shihai-nin) or any other officer or employee (collectively, including similar positions for foreign corporate persons, "Executive(s)") of the Company or its subsidiary.

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

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

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

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

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

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

(3) Status of Audit

1) Audits by the Audit Committee during this fiscal year

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

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

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

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

The Audit Committee held 12 meetings during this fiscal year, and the status of attendance of each member is as follows:

Position	Name	Attendance
Chair	Motoo Nagai	12 out of 12 (100%)
Member	Yasushi Kimura	12 out of 12 (100%)
Member	Masakazu Toyoda	12 out of 12 (100%)
Member	Jenifer Rogers	12 out of 12 (100%)
Member	Pierre Fleuriot	12 out of 12 (100%)

The Audit Committee set the following as key audit items for this fiscal year. The Audit Committee considered and deliberated each item at the meeting repeatedly, and made recommendations to the execution side as needed.

Key Audit Items	Specific Activities and Contents
Monitoring of Business Execution Status of Executive Officers, etc.	In addition to the report on the progress of the business transformation plan "Nissan NEXT", the Audit Committee received the report on major business challenges such as the improvement of sales quality and the initiatives of electrification, as well as the reports on countermeasures to business issues the Company faced such as a semiconductors shortage and supply chain disruption, and monitored those status appropriately.
Confirmation of the Activity Status of the Internal Audit Division	The Audit Committee had the internal audit division attend the Audit Committee meetings frequently, received the report on significant audit findings to detect business issues early, and made the internal audit division thoroughly follow-up on the implementation of recommended actions for improvement based on such findings to promote their steady implementation by the execution side.
Monitoring of the Operational Status of the Internal Control System and the Risk Management System	The Audit Committee periodically received the activity report of the overall operational status of the internal control system, and individually received the report on important matters such as the integrated risk management system, cybersecurity and the group governance. In addition, the Audit Committee monitored their operational status appropriately by having the internal audit division conduct audits on each relevant division responsible for those matters.

In addition to those mentioned above for the key audit items, the Audit Committee also engaged in the following activities in this fiscal year:

Other Engaged Items	Specific Activities and Contents
Handling of Misconduct Matters	The Audit Committee implemented appropriate measures to seek responsibility for serious misconduct by the former chairman and a former representative director respectively and to recover damages, including the handling of the lawsuits filed against them to claim damages.
Deepening of Collaboration with the Independent Auditors	The Audit Committee received reports on the quarterly review for this fiscal year from the independent auditors, exchanged opinions with the independent auditors on the Key Audit Matters (KAM) as wells as the change of regulatory environment and its impact on the independent auditors, and evaluated the appropriateness of the independent auditors' audit quality from multiple aspects.
Activities to Enhance Internal Control for the Company Group	・The Audit Committee conducted on-site audits on the Company's sites/plants and major domestic and overseas subsidiaries (5 sites and 23 subsidiaries) ・The Audit Committee held semi-annual conferences with statutory auditors of group companies to improve their audit quality.

The status of the Audit Committee' major activities mentioned above in every month of this fiscal year are shown as follows:

Activity Status			APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Key Audit Item	Monitoring of Business Execution Status		●	●	●	●	●	●	●	●	●	●	●	●
	Confirmation of the Activity Status of the Internal Audit Division		●	●	●	●	●	●	●	●	●	●	●	●
	Monitoring of the Operational Status of the Internal Control System and the Risk Management System	Overall Internal Control		●	●						●			
		Integrated Risk Management System						●						●
		Cybersecurity		●					●					
		Group Governance	●			●			●		●		●	
		Compliance								●	●			
		Internal Approval System							●					●
Collaboration with the Independent Auditors	Receipt of Audit and Review Reports		●	●	●	●				●			●	
	Information Exchanges				●	●		●	●	●		●	●	●

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

- Taking legal measures for misconduct of the former chairman and former representative director
- Monitoring the establishment and operation status of the internal control system in fields such as risk management and cyber security
- Receiving reports from the independent auditor and the accounting department
- Receiving reports from the internal audit department
- Handling whistleblowing cases and compliance issues
- Audit visits to facilities and major domestic and overseas subsidiaries (5 plants and 23 companies)
- Information exchange and meetings with group companies for the purpose of enhancing their governance

2) Internal audits

The Company has the global internal audit function (24 persons at the Company, approximately 90 persons globally), as an independent group to conduct internal audits, under the Audit Committee. While the internal audit section of each regional headquarters is responsible for internal audit in each region, global professional teams have been set up for the fields of sales finance, IT and manufacturing to conduct internal audits in these fields across the regions. Under the control of the Chief Internal Audit Officer, all audits are carried out efficiently and consistently on a global basis.

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

3) Audits of financial statements

a. Name of auditing firm
Ernst & Young ShinNihon LLC

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

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

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

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

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

d. Composition of assistants involved in the audit
Assistants to the audit of the financial statements consisted of 19 Certified Public Accountants and 61 others, including successful applicants who have passed the Certified Public Accountants examination and system specialists.

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

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

① Policy for decision on dismissal

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

② Policy for decision on non-reappointment
The Audit Committee determines the content of a proposal for the non-reappointment of the independent auditor which is submitted to a general shareholders meeting when the Audit Committee, after confirming the independent auditor's performance of duties, decides that it is reasonable to appoint a different independent auditor that is more capable in terms of independence, expertise, quality management system and audit capability to cover the Company's global business operations.

f. Evaluation of the Independent Auditor by the Audit Committee

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

4) Content of the audit fee

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

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)
The Company	601	20	626	6
Consolidated subsidiaries	269	2	288	—
Total	870	22	914	6

The Company pays remuneration for non-audit services provided by the Certified Public Accountants regarding the review of English translation of Financial Information and so forth.

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

Category	Prior fiscal year		Current fiscal year	
	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)	Remuneration to be paid for auditing and attestation (Millions of yen)	Remuneration to be paid for non-audit services (Millions of yen)
The Company	—	227	—	643
Consolidated subsidiaries	2,176	408	2,671	352
Total	2,176	635	2,671	995

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

Consolidated subsidiaries pay remuneration for non-audit services by the Ernst & Young network regarding the tax support services and so forth.

c. Content of other important remuneration

Not applicable.

d. Policy on determining the audit fee

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

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

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

(4) Executive Compensation

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

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

[Six principles of the executive compensation]

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

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

Overall description

・ Since FY2020, the Company has been proceeding with a business transformation plan called "Nissan NEXT" establishing key goals and objectives from FY2020 through FY2023. Sound execution of this plan during that four-year time period is key to our business recovery, and it is designed to bring about an enduring recovery that can withstand the challenges of the years to come and lead to sustainable growth.
・ We are aiming for sustainable mid- to long-term growth for both the Company and our people in accordance with "Nissan NEXT." The executive compensation program was designed to motivate the Company's directors and executive officers to implement "Nissan NEXT".
・ For the executive compensation program, the Company has selected certain financial targets of "Nissan NEXT" that are key indicators of the Company's return to growth. We also evaluate whether the goals are achieved in a manner consistent with the NISSAN WAY, which is a critical element in the long-term growth of our people.
・ Once the "Nissan NEXT" goals are expected to be achieved, we will set new targets to ensure future sustainable growth.
・ Since FY2021, the Company added new performance indicators for sustainability, carbon neutrality and respect for human rights, in the performance-based cash incentive that form a part of the long-term incentive program. Based on our corporate purpose, "Driving innovation to enrich people's lives", the Company will enhance long-term corporate value and social value and become a sustainable corporation. By adding sustainability indicators, the results of efforts to tackle sustainability challenges will be reflected in compensation.
・ In order to realize our corporate purpose, the Company has communicated the importance of respecting human rights in its business activities to all stakeholders, executives, and employees and has memorialized its commitment to doing so in the “Nissan Human Rights Policy Statement”. Therefore, the Company is promoting efforts to recognize and increase respect of human rights. The Company has adopted the "Human Rights Benchmark (CHRB)" as a performance indicator to evaluate the effectiveness of our efforts and linked them to the performance-based cash incentives of executive officers and directors who are also executive officers (CEO, COO).
Note: CHRB assessment is conducted every other year. If the fiscal year is not subject to assessment by CHRB, a third party conducts scoring based on CHRB’s assessment indicators.
・ Specific indicators will be later described in "Performance-based incentive compensation for executive officers".

Consideration for compensation levels

The Company refers to benchmark results for executive compensation when setting compensation levels. For top corporate executives, the reference group comprises global companies of similar business size and business complexity to the Company and includes major automotive companies with which we compete. For other executive officers, the reference comprises Japanese companies listed on Japanese stock exchanges and also includes major automotive companies with which we compete.

Composition of Compensation

i) Directors

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

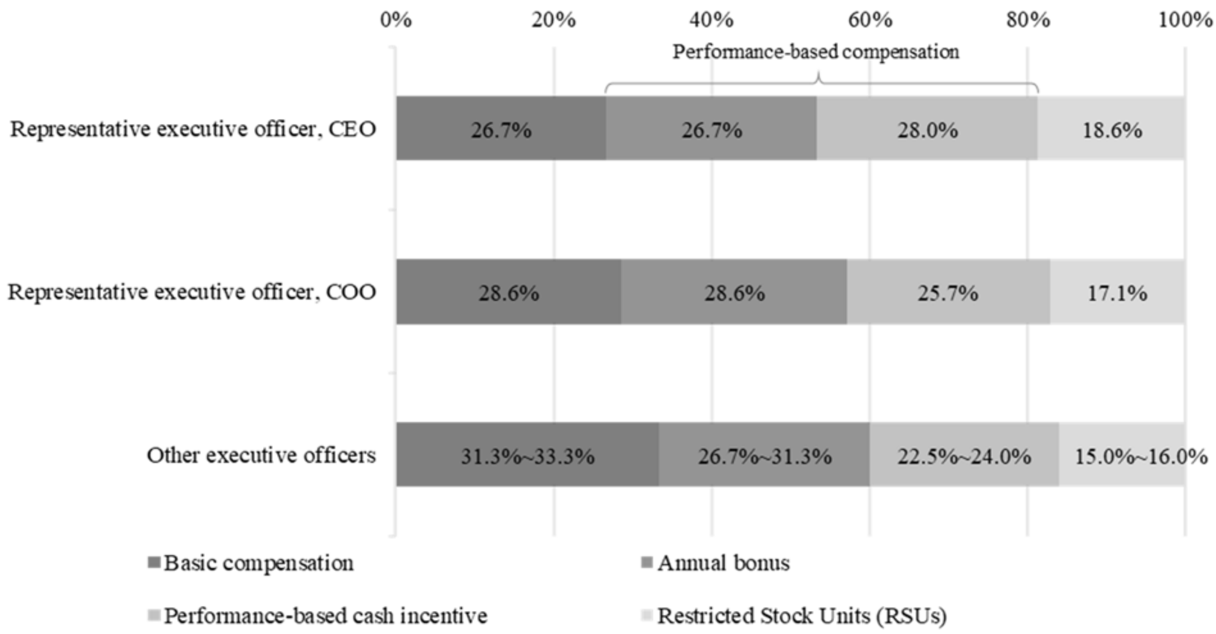
ii) Executive Officers

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

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

[Composition ratio of compensation for executive officers]

<table>
<tr><th rowspan="4">Position</th><th colspan="4">Composition ratio of compensation</th><th rowspan="4">Total</th></tr>
<tr><th>Fixed compensation</th><th colspan="3">Variable compensation</th></tr>
<tr><th rowspan="2">Basic compensation</th><th rowspan="2">Annual bonus</th><th colspan="2">Long-term incentive</th></tr>
<tr><th>Performance-based cash incentive</th><th>Restricted Stock Units (RSUs)</th></tr>
<tr><td>Representative executive officer, CEO</td><td>26.7%</td><td>26.7%</td><td>28.0%</td><td>18.6%</td><td rowspan="3">100.0%</td></tr>
<tr><td>Representative executive officer, COO</td><td>28.6%</td><td>28.6%</td><td>25.7%</td><td>17.1%</td></tr>
<tr><td>Other executive officers</td><td>31.3%~33.3%</td><td>26.7%~31.3%</td><td>22.5%~24.0%</td><td>15.0%~16.0%</td></tr>
</table>



Note: This ratio is calculated based on the FY2022 theoretical variable compensation as the total achievement ratio is 100%.

Basic compensation

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

Variable compensation

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

Annual bonus

FY2022 Annual bonus

The annual bonus which is a performance-based compensation is paid based on the calculation of multiplying the annual basic compensation by eligible percentage set for each executive position and the total achievement ratio for a set of performance indicators that are defined for sustainable growth. For FY2022, we set five performance indicators that are listed in the table below. These performance indicators are of critical importance to the third year of the "Nissan NEXT" plan.

For this fiscal year, the Company continued to proceed with "Nissan NEXT". The Company has set targets for the operating profit and the operating profit margin to prioritize both profitability achievement and long-term business continuity.

Healthy free cash flow in automotive business is one of the most important indicators for our sustainable growth.

For quality, we used an internal control target consisting of quality assurance and customer satisfaction measures.

To assess the current state of our corporate culture, an anonymous global employee survey is conducted annually. The Company conducts improvement activities overseen by top management which focus on employee engagement/satisfaction and five prioritized key areas: enablement, ethics, leadership, corporate culture, and diversity equity and inclusion. Targets are based on year over year improvement.

[Weighting for FY2022 annual bonus for executive officers]

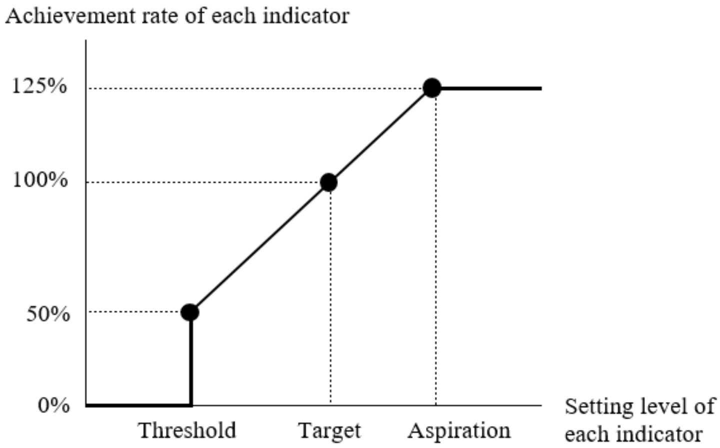
Performance indicator (Corporate objectives)	Evaluation weight
Operating profit	20%
Operating profit margin	20%
Free cash flow in automotive business*	40%
Quality	10%
Corporate culture	10%

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

[Annual bonus payment rate model]

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

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



Long-term incentive program

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

[Purpose of introducing long-term incentive program]
The long-term incentive program is designed to support four main objectives:
(1) promote the achievement of mid to long-term business continuity and growth;
(2) align the interests of executives with those of shareholders;
(3) motivate the executives to create shareholder value; and
(4) encourage long-term retention of our key talents.

[Overview of long-term incentive program]

■Restricted Stock Units (RSUs)
The Restricted Stock Units (RSUs) award involves granting Restricted Stock Units (RSUs) for a predetermined number of shares of the Company's common stock ("Shares") to be delivered to the executives at a later date, subject to continued employment and other conditions during a period specified by the Company (hereinafter referred to as the "Target Period"). The Target Period is currently three years, and one-third of the rights will be vested on each of the next three anniversaries after the date of grant of the Restricted Stock Units (RSUs), at when Shares will be delivered to the executives. Restricted Stock Units (RSUs) is non-cash compensation and not performance-based compensation. For Restricted Stock Units (RSUs) granted to executive officers in this fiscal year, the total number of shares to be delivered three fiscal years from the date of grant is limited to a maximum of approximately 579 thousand shares.
In the event of serious fraud or illegal activity by an executive, the Company may cancel such executive’s right to receive Shares or may request the return of Shares that have already been delivered. This recoupment policy, also known as a Malus and Clawback Policy, was implemented as part of the Company's efforts to improve corporate governance. This policy is included in the Restricted Stock Unit Regulations and is communicated to executives who receive an award upon its grant.

■Performance-based cash incentive

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

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

FY2020 performance-based incentive compensation

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

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

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

* In FY2022, targets are set based on the proportionate consolidation of the Chinese joint venture.

** In FY2022, net revenue performance indicator has been revised from market share to net revenue to focus on enhancing the quality of sales by improving net revenue per unit of major models, cost optimization and to contribute to steady growth in accordance with the "Nissan NEXT" plan. The total achievement rate of FY2020 and FY2021 have been calculated with not net revenue but market share.

FY2021 performance-based incentive compensation

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

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

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

* In FY2022, targets are set based on the proportionate consolidation of the Chinese joint venture.

** In FY2022, net revenue performance indicator has been revised from sales volume to net revenue to net revenue to focus on enhancing the quality of sales by improving net revenue per unit of major models, cost optimization and to contribute to steady growth in accordance with the "Nissan NEXT" plan. The total achievement rate of FY2021 has been calculated with not net revenue but sales volume.

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

2. The Company scored 8.3 points last year as assessed by CHRB（Corporate Human Rights Benchmark）, an international initiative on business and human rights that rates the world's leading companies on their human rights efforts, and has set a higher target compared to Japanese competitors. FY2021 was not subject to assessment by CHRB, so a third party has conducted scoring based on CHRB's assessment indicators. CHRB assessment methodology has been changed from 2022 and the Company was assessed by the new methodology in FY2022.

FY2022 performance-based incentive compensation

Performance indicators that are especially material for the Company to achieve sustainable growth in the future have been set for the performance-based cash incentive granted in FY2022 as same as FY2021 and social value performance indicators have been set with the aim of creating both corporate value for the Company and social value. As an indicator for growth of the Company, net revenue has been set to focus on enhancing the quality of sales by improving net revenue per unit of major models, cost optimization and to contribute to steady growth in accordance with the “Nissan NEXT” plan. The performance-based cash incentive granted in FY2022 will be calculated by multiplying the basic compensation by the target total achievement rate for the set of performance indicators over the next three fiscal years between FY2022 and FY2024, and the performance-based cash incentive proportion set for each executive position.

[Weighting for FY2022 performance-based incentive compensation for executive officers]

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

* In FY2022, targets are set based on the proportionate consolidation of the Chinese joint venture.

** In FY2022, net revenue performance indicator has been set to focus on enhancing the quality of sales by improving net revenue per unit of major models, cost optimization and to contribute to steady growth in accordance with the “Nissan NEXT” plan

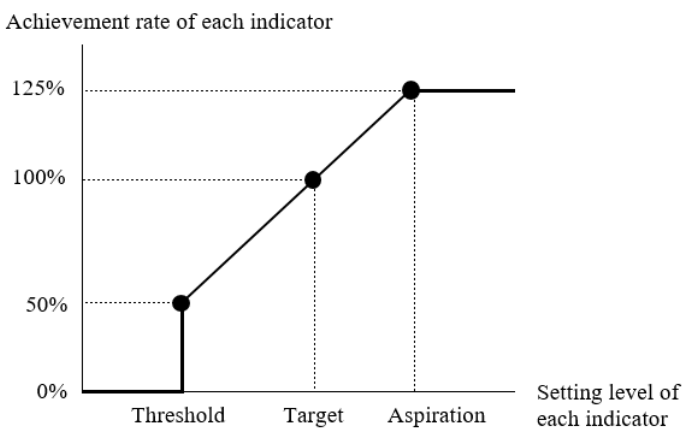
Notes:1: The Company has set a target of maintaining until FY2024 the highest leadership level (A or A-) set in the climate change rankings of CDP, an international non-profit organization that requires companies and local governments to promote and disclose information on their efforts for climate change, water resources and forest conservation in response to requests from global institutional investors.

2: The Company scored 11.5 points in 2021 as assessed based on the indicators of CHRB（Corporate Human Rights Benchmark）, an international initiative on business and human rights that rates the world's leading companies on their human rights efforts, and has set a higher target compared to Japanese competitors. In 2021, the assessment conducted by a third party based on the CHRB’s assessment indicators. CHRB assessment methodology has been changed from 2022 and the Company was assessed by the new methodology in FY2022.

[The performance-based cash incentive payment rate model]

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

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



[Long-term incentive payment schedule]

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

<u>Policy for executive officer compensation upon separation</u>

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

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

(Millions of yen)

Position category of executives	Total amount of compensation	Breakdown of total amount of compensation						Number of executives
		Annual basic compensation	Performance-based compensation			Restricted Stock Unit (RSUs) (Non-cash compensation) (Note 2)	Other compensation	
			Annual bonus	Performance-based cash incentive (Monetary Compensation)	Share Appreciation Rights (Note 1)			
Directors (Excluding Independent Outside Directors)	18	18	—	—	—	—	—	1
Directors (Independent Outside Directors)	171	171	—	—	—	—	—	7
Executive Officers (Note 4)	2,537	556	656	693	—	253	379 (Note 3)	6

Notes: 1. This notes the difference between (i) the total monetary amount received by the relevant directors or officers from the Company during FY2022 upon the exercise of such rights granted in previous fiscal years and (ii) the total fair value of such exercised rights as disclosed in the corresponding prior securities report based on then-current share prices. No such rights were exercised in FY2022.

2. This is the amount that was booked as expense in FY22 minus the amount that was confirmed to be reduced after the fiscal year end of FY22.With respect to the RSUs granted in FY2020, a newly estimated amount of the RSUs that pertain to FY2020 was higher than the estimated amount of the RSU that was disclosed in the Company’s Securities Report for FY2021 by ¥3 million. The amount presented in the above table is the total of the amount booked as expense in FY2022 and the amount of such difference.

3. This amount represents the sum of cash compensation such as the tax and the tax equalization benefit (¥247 million), housing allowance and other fringe benefits, etc. (¥132 million) paid to 3 executive officers, which were determined by the Compensation Committee in accordance with the Company's internal rules and other standards. In addition to the compensation listed in the table above, the Company provided fringe benefits of ¥7 million for FY2021, which were confirmed as compensation of the Company during this fiscal year, as cash compensation to 1 former executive officer.

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

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

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

(Millions of yen)

Name	Category of executives	Name of entity	Total amount of compensation	Breakdown of total amount of compensation					
				Annual basic compensation	Performance-based compensation			Restricted Stock Unit (RSUs) (Non-cash compensation) (Note 1)	Other compensation
					Annual bonus	Performance-based cash incentive (Monetary compensation)	Share Appreciation Rights		
Makoto Uchida	Executive Officer	NML	673	150	188	224	—	95	16 (Note 3)
Ashwani Gupta (Note 4)	Executive Officer	NML	726	145	181	187	—	45 (Note 2)	168 (Note 3)
Stephen Ma (Note 4)	Executive Officer	NML	576	103	129	109	—	40	195 (Note 3)
	N/A	Nissan North America, Inc.	18	—	—	—	—	—	18
Hideyuki Sakamoto	Executive Officer	NML	205	58	58	63	—	26	—
Kunio Nakaguro	Executive Officer	NML	177	50	50	55	—	22	—
Asako Hoshino	Executive Officer	NML	177	50	50	55	—	22	—

Notes: 1. This is the amount that was booked as expense in FY22.

2. This is the amount that was booked as expense in FY22 minus the amount that was confirmed to be reduced after the fiscal year end of FY22.

3. This amount represents the sum of cash compensation such as the tax and the tax equalization benefit (¥247 million), housing allowance and other fringe benefits, etc. (¥132 million) paid to the relevant executive officers, which were determined by the Compensation Committee in accordance with the Company's internal rules and other standards. In addition to the compensation listed in the table above, the Company provided fringe benefits of ¥7 million for FY2021 which were confirmed as compensation of the Company during this fiscal year, as cash compensation to 1 former executive officer, Christian Vandenhende. His FY2021 other compensation was ¥66 million and the total amount of compensation was ¥122 million with this amount.

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

Results for FY22 annual bonus performance and LTI performance-based cash incentives

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

FY2022 Annual bonus

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

- For this fiscal year, the Company continued to proceed with "Nissan NEXT", the Company has set targets for the operating profit and the operating profit margin to prioritize both profitability achievement and long-term business continuity. The result for operating profit was 377.1 billion yen and 3.6% operating profit margin. The results were overachieved, the achievement rates were assessed at 125%.
- For free cash flow in automotive business, the target level was set to be positive in FY2022. Based on the proportionate consolidation of its Chinese joint venture, the result was overachieved, the achievement rate was assessed at 125%.
- For quality, FY2022 target was comprised of elements of quality guarantee and customer satisfaction. The result was overachieved, the achievement rate was 125%.
- For corporate culture, the Company has set the target based on yearly improvement of employee engagement/satisfaction and five prioritized key areas: enablement, ethics, leadership, corporate culture, and diversity equity and inclusion, which are measured and achieved in an employee survey conducted anonymously. The result was overachieved, the achievement rate was 125%.

Accordingly, the overall achievement rate was 125%. The actual amount of annual bonus was calculated by multiplying the basic compensation by the above-mentioned total weighted average achievement rate and the annual bonus target, which varies based on the position of the executive officer. The details of calculation method are explained in the (Annual bonus) section.

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

Similar to the annual bonus process described above, the level for the performance targets for the performance-based cash incentive is based on objectives set in "Nissan NEXT", after considering the impact of COVID-19, the semi-conductor shortage, raw materials price hike, forex impact, and other factors. The FY2020 incentives will be paid in accordance with the target achievement rates for the three-fiscal-year period finishing in FY2023.The FY2022 incentives will be paid in accordance with the achievement rates for the targets for the three-fiscal-year period finishing in FY2024. The details of performance indicators and the reasons the Company selected each indicator are explained above in detail in the [Overview of long-term incentive program] section.

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

FY2022 results for FY2020 performance-based incentive compensation

Results and achievement rates of indicators for FY2022, the third fiscal year of FY2020 performance-based cash incentive, are as follows:

- For operating profit margin, to proceed with "Nissan NEXT", the Company has set the target to prioritize long-term business continuity. Based on the proportionate consolidation of its Chinese joint venture, the result was 4.1%, and the achievement rate was 125%.
- For free cash flow in the automotive business, the target level was to be positive cash flow. Based on the proportionate consolidation of its Chinese joint venture, the result was overachieved, and the achievement rate was 125%.
- For net revenue, the target level was set based on the performance outlook. The result was 10,596.7 billion and overachieved, the achievement rate was 125 %.

Accordingly, the overall achievement rate was 125%.

FY2022 results for FY2021 performance-based incentive compensation

Results and achievement ratios of indicators for FY2022, the second fiscal year of FY2021 performance-based cash incentives, are as follows.

- For operating profit margin, to proceed with "Nissan NEXT", the Company has set the target to prioritize long-term business continuity. Based on the proportionate consolidation of its Chinese joint venture, the result was 4.1%, and the achievement rate was 125 %.
- For free cash flow in automotive business, the target level was set to be positive cash flow. Based on the proportionate consolidation of its Chinese joint venture, the result was overachieved, and the achievement rate was 125%.
- For net revenue, the target level was set based on the performance outlook. The result was 10,596.7 billion and the achievement rate was 125 %.
- For carbon neutrality (environment), the Company has set a target of maintaining until FY2023 the highest leadership level (A or A-) set in the climate change rankings of CDP, an international non-profit organization that requires companies and local governments to promote and disclose information on their efforts for climate change, water resources and forest conservation in response to requests from global institutional investors. The Company obtained level “A-”, and the achievement rate was 100%.
- For human rights (social), the Company scored 8.3 points in FY2020 as assessed by CHRB, an international initiative on business and human rights that rates the world’s leading companies on their human rights efforts and has set a higher target compared to Japanese competitors. As the result, achievement rate was 100%.

Accordingly, the overall achievement rate was 123%.

FY2022 results for FY2022 performance-based incentive compensation

Results and achievement ratios of indicators for FY2022, the first fiscal year of FY2022 performance-based cash incentives, are as follows.

- For operating profit margin, to proceed with "Nissan NEXT", the Company has set the target to prioritize long-term business continuity. The result was 3.6% and the achievement rate was 125 %.
- For free cash flow in the automotive business, the target level was set to be positive cash flow. Based on the proportionate consolidation of its Chinese joint venture, the result was overachieved, and the achievement rate was assessed at 125%.
- For net revenue, the target level was set based on the performance outlook. The result was 10,596.7 billion and the achievement rate was 125 %.
- For carbon neutrality (environment), the Company has set a target of maintaining until FY2024 the highest leadership level (A or A-) set in the climate change rankings of CDP, an international non-profit organization that requires companies and local governments to promote and disclose information on their efforts for climate change, water resources and forest conservation in response to requests from global institutional investors. The Company obtained level “A-”, and the achievement rate was 100 %.
- For human rights (social), the Company scored 11.5 points in 2021 as assessed based on the indicators of CHRB, an international initiative on business and human rights that rates the world’s leading companies on their human rights efforts and has set a higher target compared to Japanese competitors. As the result, achievement rate was 100 %.

Accordingly, the overall achievement rate was 123 %.

(5) Status of stocks held

1) Criteria and concept on stocks for investment

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

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

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

(i) Policy on crossholdings

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

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

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

As a result, the Company held three crossheld stocks as of March 31, 2023.

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

	Number of stocks	Total of the amounts recorded in the balance sheet (Millions of yen)
Unlisted stocks	33	28,765
Stocks other than unlisted stocks	3	1,447

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

Not applicable

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

	Number of stocks	Total amount of sale price relating to decrease in the number of stocks (Millions of yen)
Unlisted stocks	1	26
Stocks other than unlisted stocks	—	—

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

Specific stocks for investment

Stocks	Current fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Prior fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
Tan Chong Motor Holdings Berhad	37,333,324	37,333,324	Held to cooperate in production, import and sales in Asian countries and the Company considers that such investment is appropriate to promote its business in Asian countries.	No
	1,295	1,242		
Star Flyer Inc.	60,000	60,000	Held to maintain cooperative relationships with local companies and contribute to the local community at Kyushu area where the Company has one of the major production bases and the Company considers that such investment is appropriate.	No
	151	144		
MITSUBA Corporation	729	729	Stocks of less than a standard unit held when contributed to a retirement benefit trust. The holding purpose is as described in the "Stocks subject to deemed holding" table below.	Yes
	0	0		

Note: The number of the relevant specific stocks for investment is three (3), inclusive of those amount recorded in the balance sheet is less than one-hundredth (1/100) of common stock.

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

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

Stocks subject to deemed holding

Stocks	Current fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Prior fiscal year Number of shares held by the Company Amount recorded in the balance sheet (Millions of yen)	Holding purpose, quantitative holding effects and reason for the increased number of shares	Holding of the Company's shares
Mizuho Leasing Company, Limited	—	1,750,000	All stocks falling under deemed holding have already been sold.	No
	—	5,208		
MITSUBA Corporation	1,742,000	1,742,000	Contributed to a retirement benefit trust, but the voting rights by instruction are reserved. Planned to be used depending on the need of funds to be contributed to the retirement pension.	Yes
	909	644		

Note: "—" indicates no holding of the relevant shares.

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

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

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

3) Stocks for investment held solely for investment purpose

Not applicable.

5. Financial Information

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

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

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

2. Auditing and attestation

The consolidated and the non-consolidated financial statements for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023) were audited by Ernst & Young ShinNihon LLC, pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

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

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

(2) The Company has developed unified accounting standards for the Group for circulation among its consolidated group companies and supplements these standards by providing information on important accounting matters that require particular attention. This information is accessible to said companies whenever necessary as a guide for preparing their financial reports. The financial information of the consolidated group companies that the Company obtained to prepare the consolidated financial statements are reviewed through analytical and other methods by the Company’s accounting managers and any reports found imperfect must be corrected and resubmitted. The Group’s unified accounting standards are regularly updated. In addition, the Company ensures that its consolidated group companies are kept informed of such updates and prepares accounting instructions and educates the accounting personnel of the consolidated group companies as needed. As a part of the activities, the accounting personnel participates seminars organized by audit firms and other organizations, thereby accumulating specialized expertise within the Company.

(3) To assist in conformity of the accuracy and precision of the content of disclosures, the Disclosure Review Committee, which is composed of the corporate officers or executive officers in charge, and chaired by Representative Executive officer, CEO, deliberates on the content of disclosures.

1. Consolidated Financial Statements

(1) Consolidated financial statements

① Consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2022)		Current fiscal year (As of March 31, 2023)
Assets				
Current assets				
Cash on hand and in banks		1,432,047		1,798,475
Trade notes and accounts receivable, and contract assets	※7	402,489	※7	585,639
Sales finance receivables	※3,※6	6,274,750	※3,※6	6,480,605
Securities		360,645		215,912
Merchandise and finished goods		645,620		941,687
Work in process		83,939		90,314
Raw materials and supplies		634,922		671,175
Other	※6	620,368	※6	730,629
Allowance for doubtful accounts		(138,771)		(146,225)
Total current assets		10,316,009		11,368,211
Fixed assets				
Property, plant and equipment				
Buildings and structures, net		599,682		625,495
Machinery, equipment and vehicles, net	※2,※3	2,650,597	※2,※3	2,619,773
Land		585,217		580,651
Construction in progress		140,056		157,648
Other, net		390,401		385,714
Total property, plant and equipment	※1	4,365,953	※1	4,369,281
Intangible fixed assets	※4	119,187	※4	172,477
Investments and other assets				
Investment securities	※5	1,054,886	※5	1,176,832
Long-term loans receivable		7,640		12,680
Net defined benefit assets		56,491		56,106
Deferred tax assets		156,553		192,191
Other		295,324	※3	252,368
Allowance for doubtful accounts		(6,959)		(7,314)
Total investments and other assets		1,563,935		1,682,863
Total fixed assets		6,049,075		6,224,621
Deferred assets				
Bond issuance costs		6,397		5,749
Total deferred assets		6,397		5,749
Total assets		16,371,481		17,598,581

(Millions of yen)

		Prior fiscal year (As of March 31, 2022)		Current fiscal year (As of March 31, 2023)
Liabilities				
Current liabilities				
Trade notes and accounts payable		1,395,642		1,912,151
Short-term borrowings	※3	1,050,036	※3	1,101,978
Current portion of long-term borrowings	※3	1,251,998	※3	1,085,256
Commercial papers		185,705		88,000
Current portion of bonds		471,460		556,367
Lease obligations		48,395		50,061
Accrued expenses		841,386		979,369
Accrued warranty costs		98,367		99,425
Other	※7	800,219	※7	896,719
Total current liabilities		6,143,208		6,769,326
Long-term liabilities				
Bonds		2,263,336		2,058,096
Long-term borrowings	※3	1,775,221	※3	2,013,251
Lease obligations		86,173		86,054
Deferred tax liabilities		321,380		299,256
Accrued warranty costs		112,804		115,544
Net defined benefit liability		191,073		184,851
Other	※7	448,702	※7	457,063
Total long-term liabilities		5,198,689		5,214,115
Total liabilities		11,341,897		11,983,441
Net assets				
Shareholders' equity				
Common stock		605,814		605,814
Capital surplus		816,472		811,209
Retained earnings		3,843,479		4,047,870
Treasury stock		(138,061)		(136,172)
Total shareholders' equity		5,127,704		5,328,721
Accumulated other comprehensive income				
Unrealized holding gain and loss on securities		3,428		2,893
Unrealized gain and loss from hedging instruments		17,230		(3,346)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(38,109)		(51,079)
Translation adjustments		(512,770)		(111,694)
Remeasurements of defined benefit plans		(16,882)		(30,846)
Total accumulated other comprehensive income		(547,103)		(194,072)
Share subscription rights		—		273
Non-controlling interests		448,983		480,218
Total net assets		5,029,584		5,615,140
Total liabilities and net assets		16,371,481		17,598,581

② Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

		Prior fiscal year (From April 1, 2021 To March 31, 2022)		Current fiscal year (From April 1, 2022 To March 31, 2023)
Net sales	※1	8,424,585	※1	10,596,695
Cost of sales	※2,※3	7,070,531	※2,※3	8,882,846
Gross profit		1,354,054		1,713,849
Selling, general and administrative expenses				
Advertising expenses		247,552		283,505
Service costs		72,184		94,364
Provision for warranty costs		97,274		119,269
Other selling expenses		68,759		92,602
Salaries and wages		393,877		436,403
Retirement benefit expenses		7,990		12,247
Supplies		1,481		1,955
Depreciation and amortization		56,368		58,348
Provision for doubtful accounts		(42,490)		6,023
Amortization of goodwill		1,022		1,320
Other		202,730		230,704
Total selling, general and administrative expenses	※2	1,106,747	※2	1,336,740
Operating income		247,307		377,109
Non-operating income				
Interest income		16,952		39,276
Dividends income		3,005		83
Equity in earnings of affiliates		94,302		171,275
Derivative gain		14,533		43,392
Miscellaneous income		19,260		26,564
Total non-operating income		148,052		280,590
Non-operating expenses				
Interest expense		55,949		63,045
Exchange loss		8,900		51,948
Miscellaneous expenses		24,393		27,263
Total non-operating expenses		89,242		142,256
Ordinary income		306,117		515,443

(Millions of yen)

		Prior fiscal year (From April 1, 2021 To March 31, 2022)		Current fiscal year (From April 1, 2022 To March 31, 2023)
Special gains				
Gain on sales of fixed assets	※4	34,471	※4	22,992
Reversal of compensation for suppliers and others		10,314		8,193
Other		89,218		7,680
Total special gains		134,003		38,865
Special losses				
Loss on sales of fixed assets	※5	4,004	※5	5,793
Loss on disposal of fixed assets		14,463		15,115
Impairment loss	※6	16,973	※6	8,615
Loss on sales of shares of subsidiaries and affiliates		1,822		45,620
Loss on transfer of receivables		—		40,806
Compensation for suppliers and others		6,530		21,151
Other	※3	12,118	※3	14,772
Total special losses		55,910		151,872
Income before income taxes		384,210		402,436
Income taxes-current		79,979		196,619
Income taxes-deferred		65,461		(35,382)
Total income taxes		145,440		161,237
Net income		238,770		241,199
Net income attributable to non-controlling interests		23,237		19,299
Net income attributable to owners of parent		215,533		221,900

Consolidated statement of comprehensive income

(Millions of yen)

		Prior fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)
Net income		238,770		241,199
Other comprehensive income				
Unrealized holding gain and loss on securities		(59,947)		140
Unrealized gain and loss from hedging instruments		26,958		(26,000)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting		(140)		(1,479)
Translation adjustments		350,835		300,206
Remeasurements of defined benefit plans		58,794		(24,539)
The amount related to equity method companies		74,351		117,310
Total other comprehensive income	※1	450,851	※1	365,638
Comprehensive income		689,621		606,837
(Breakdown of comprehensive income)				
Comprehensive income attributable to owners of parent		637,354		574,799
Comprehensive income attributable to non-controlling interests		52,267		32,038

③ Consolidated statement of changes in net assets

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

(Millions of yen)

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

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

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments
Balance at the beginning of current period	605,814	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230
Effects of hyperinflation							
Restated balance	605,814	816,472	3,843,479	(138,061)	5,127,704	3,428	17,230
Changes of items during the period							
Cash dividends paid			(19,573)		(19,573)		
Net income attributable to owners of parent			221,900		221,900		
Purchase of treasury stock				(344)	(344)		
Disposal of treasury stock			(990)	2,233	1,243		
Changes in the scope of consolidation			(5,806)		(5,806)		
Changes in the scope of equity method			8,860		8,860		
Changes in interests by purchase of subsidiaries' shares		(3)			(3)		
Changes in interests by capital injection of subsidiaries		(5,247)			(5,247)		
Changes in affiliated companies' interests in its subsidiaries		(13)			(13)		
Net changes of items other than those in shareholders' equity						(535)	(20,576)
Total changes of items during the period		(5,263)	204,391	1,889	201,017	(535)	(20,576)
Balance at the end of current period	605,814	811,209	4,047,870	(136,172)	5,328,721	2,893	(3,346)

	Accumulated other comprehensive income				Share subscription rights	Non-controlling interests	Total net assets
	Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(38,109)	(512,770)	(16,882)	(547,103)	—	448,983	5,029,584
Effects of hyperinflation	(13,090)	13,222		132			132
Restated balance	(51,199)	(499,548)	(16,882)	(546,971)	—	448,983	5,029,716
Changes of items during the period							
Cash dividends paid							(19,573)
Net income attributable to owners of parent							221,900
Purchase of treasury stock							(344)
Disposal of treasury stock							1,243
Changes in the scope of consolidation							(5,806)
Changes in the scope of equity method							8,860
Changes in interests by purchase of subsidiaries' shares							(3)
Changes in interests by capital injection of subsidiaries							(5,247)
Changes in affiliated companies' interests in its subsidiaries							(13)
Net changes of items other than those in shareholders' equity	120	387,854	(13,964)	352,899	273	31,235	384,407
Total changes of items during the period	120	387,854	(13,964)	352,899	273	31,235	585,424
Balance at the end of current period	(51,079)	(111,694)	(30,846)	(194,072)	273	480,218	5,615,140

④ Consolidated statement of cash flows

(Millions of yen)

	FY2021 (From April 1, 2021 To March 31, 2022)		FY2022 (From April 1, 2022 To March 31, 2023)
Cash flows from operating activities			
Income before income taxes	384,210		402,436
Depreciation and amortization (for fixed assets excluding leased vehicles)	296,911		335,242
Depreciation and amortization (for long term prepaid expenses)	44,018		41,194
Depreciation and amortization (for leased vehicles)	348,074		317,304
Impairment loss	16,973		8,615
Increase (decrease) in allowance for doubtful accounts	(51,771)		9,905
Provision for residual value risk of leased vehicles (net changes)	(42,816)		(43,549)
Interest and dividends income	(19,957)		(39,359)
Interest expense	174,194		206,281
Equity in losses (earnings) of affiliates	(94,302)		(171,275)
Loss (gain) on sales of fixed assets	(30,467)		(17,199)
Loss on disposal of fixed assets	14,463		15,115
Loss (gain) on sales of shares of subsidiaries and affiliates	1,252		45,569
Decrease (increase) in trade notes and accounts receivable, and contract assets	140,242		(167,742)
Decrease (increase) in sales finance receivables	476,338		221,475
Decrease (increase) in inventories	(12,498)		(196,712)
Increase (decrease) in trade notes and accounts payable	(414,416)		543,424
Retirement benefit expenses	(7,218)		(15,631)
Payments related to net defined benefit assets and liabilities	(29,847)		(41,190)
Other	(179,249)		(77,370)
Subtotal	1,014,134		1,376,533
Interest and dividends received	19,943		32,902
Proceeds from dividends income from affiliates accounted for by equity method	82,671		163,385
Interest paid	(174,732)		(198,208)
Income taxes paid	(94,829)		(153,561)
Net cash provided by (used in) operating activities	847,187		1,221,051
Cash flows from investing activities			
Net decrease (increase) in short-term investments	2,795		2,209
Purchase of fixed assets	(315,202)		(322,725)
Proceeds from sales of fixed assets	54,639		33,968
Purchase of leased vehicles	(808,684)		(810,777)
Proceeds from sales of leased vehicles	734,703		679,146
Payments of long-term loans receivable	(4,787)		(1,533)
Collection of long-term loans receivable	1,907		3,083
Purchase of investment securities	(13,803)		(1,849)
Proceeds from sales of investment securities	169,815		310
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	—	※2	(9,730)
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	154	※3	(30,842)
Net decrease (increase) in restricted cash	30,091		(20,256)
Proceeds from sales of businesses	—		5,273
Other	1,537		26,682
Net cash provided by (used in) investing activities	(146,835)		(447,041)

(Millions of yen)

		FY2021 (From April 1, 2021 To March 31, 2022)		FY2022 (From April 1, 2022 To March 31, 2023)
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		120,623		(149,413)
Proceeds from long-term borrowings		1,131,051		1,364,681
Proceeds from issuance of bonds		478,425		199,168
Repayments of long-term borrowings		(2,241,109)		(1,471,738)
Redemption of bonds		(524,920)		(526,076)
Proceeds from non-controlling shareholders		5,311		1,650
Purchase of treasury stock		(2)		(1)
Purchase of treasury shares of subsidiaries		—		(5,529)
Repayments of lease obligations		(47,785)		(55,315)
Cash dividends paid		—		(19,573)
Cash dividends paid to non-controlling interests		(14,239)		(8,457)
Payments from changes in ownership interests in subsidiaries that do not result in change in the scope of consolidation		—		(4)
Net cash provided by (used in) financing activities		(1,092,645)		(670,607)
Effects of exchange rate changes on cash and cash equivalents		145,033		112,435
Increase (decrease) in cash and cash equivalents		(247,260)		215,838
Cash and cash equivalents at the beginning of the period		2,034,026		1,792,692
Increase due to inclusion in consolidation		5,926		5,857
Cash and cash equivalents at the end of the period	※1	1,792,692	※1	2,014,387

[Notes to Consolidated Financial Statements]

(Basis of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated group companies: 239

- Domestic companies: 96
- Foreign companies: 143

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

Nissan-Tanner Financial Services SpA. and 6 other companies have been newly established and included in the scope of consolidation, Vehicle Energy Japan Inc. and 4 other companies have been included in the scope of consolidation through acquisition of their shares, and Jetford Inc. and one other company have been included in the scope of consolidation due to, in order to strengthen governance, reexamination of the scope of the consolidated companies. From among those that were consolidated subsidiaries in the prior fiscal year, Nissan International Finance (Netherlands) B.V. and 11 other companies have been excluded from the scope of consolidation due to liquidation, Nissan Manufacturing RUS, Limited Liability Company and one other company have been excluded from the scope of consolidation due to sales of their shares, and NISSAN MOTORSPORTS INTERNATIONAL CO.,LTD has been excluded from the scope of consolidation as it has been absorbed and dissolved.

(2) Number of subsidiaries not accounted for by the full consolidation method: 4

- Domestic companies: 1
  NC Service Co., Ltd.
- Foreign companies: 3
  Nissan Manufacturing Tanger Mediterranean and others

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

2. Equity method

(1) Number of companies accounted for by the equity method: 40

- Unconsolidated subsidiaries: 1 (1 foreign company)
  ROSE KILN RETAIL LIMITED
- Affiliates: 39 (23 domestic and 16 foreign companies)
  Renault S.A., Dongfeng Motor Co., Ltd., MITSUBISHI MOTORS CORPORATION, NISSAN TOKYO SALES HOLDINGS CO., LTD. and others

4R ENERGY Corporation and 4 other companies have become affiliates accounted for by the equity method in the current fiscal year due to, in order to strengthen governance, reexamination of the scope of the consolidated companies. From among the affiliates accounted for by the equity method in the prior fiscal year, Toyama Nissan Motor Co., Ltd. has been excluded from the scope of the equity method in the current fiscal year due to sales of its shares, and e.DAMS S.A. has been excluded from the scope of the equity method and included in the scope consolidation due to additional acquisition of its shares.

(2) Number of companies not accounted for by the equity method: 6

- Unconsolidated subsidiaries: 3
  Nissan Manufacturing Tanger Mediterranean and others
- Affiliates: 3
  Sun Co., Ltd. and others

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

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

3. Accounting period of consolidated subsidiaries

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

January 31:

Yokohama Marinos Ltd.

August 31:

e.DAMS S.A.

September 30:

DAMS FE

December 31:

Nissan Mexicana, S.A. De C. V.
Nissan Exports De Mexico, S. de R.L. de C.V.
NR FINANCE MEXICO, S.A. de C.V.
NR Finance Services, S.A. de C.V.
ANZEN Agente de Seguros, S.A. de C.V.
NISSAN DO BRASIL AUTOMOVEIS LTDA
Nissan Argentina S. A.
NISSAN ARGENTINA PLAN S.A. DE AHORRO PARA FINES DETERMINADOS
Nissan Chile SpA
Nissan-Tanner Financial Services SpA.
Nissan-Tanner Financial Services Retail SpA.
Nissan-Tanner Financial Services Wholesale SpA.
Nissan Peru S.A.C.
APRITE (GB) LIMITED
NISSAN MOTOR UKRAINE Limited Liability Company
Yulon Nissan Motor Co., Ltd.
Yi-Jan Overseas Investment Co., Ltd.
Jetford Inc.
NISSAN (CHINA) INVESTMENT CO., LTD.
Dongfeng Nissan Auto Finance Co., Ltd.
Dongfeng Nissan Financial Leasing Co., Ltd.
Wuhan Dongfeng Insurance Broker Co., Ltd.
Wuhan Dongfeng Xinda Economic Information Consulting Co., Ltd.
Nissan Shanghai Co., Ltd.
JATCO MEXICO S.A. DE C.V.
JATCO (Guangzhou) Automatic Transmission Ltd.
JATCO (Suzhou) Automatic Transmission Ltd.
Nissan Guangzhou Co., Ltd.
NISSAN TRADING CHINA CO., LTD
Nissan (Shanghai) Automotive Design Co., Ltd.
Nissan Mobility Service Co., Ltd.
JATCO USA, Inc.
JATCO Korea Engineering Corporation
JATCO France SAS
JATCO Korea Service Corporation
NISSAN TRADING DO BRASIL PRODUTOS AUTOMOTIVOS LTDA
VINZ 2021 Retail Auto Mortgage Loan securitization Trust (Phase 2)
VINZ 2021 Retail Auto Mortgage Loan securitization Trust (Phase 3)
VINZ 2022 Retail Auto Mortgage Loan securitization Trust (Phase 1)
VINZ 2022 Retail Auto Mortgage Loan securitization Trust (Phase 2)

(2) Of these 43 companies, e.DAMS S.A., whose fiscal year end is August 31, DAMS FE, whose fiscal year end is September 30, and Nissan Mexicana, S.A. De C.V. and 23 other companies, whose fiscal year end is December 31, close their books of account at March 31 for consolidation reporting purpose. With respect to Yokohama Marinos Ltd., whose fiscal year end is January 31, and NISSAN (CHINA) INVESTMENT CO., LTD. and 15 other companies, whose fiscal year end is December 31, the necessary adjustments were made in consolidation to reflect any significant transactions from February 1 to March 31 and January 1 to March 31.

4. Significant accounting policies

(1) Valuation methods for assets

①Securities

Held-to-maturity securities:

Held-to maturity securities are stated at amortized cost.

Other securities:

Marketable securities:

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

Non-marketable securities:

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

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

②Derivative financial instruments

Derivative financial instruments are stated at fair value.

③Inventories

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

(2) Depreciation of property, plant and equipment

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

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

(3) Basis for significant reserves

①Allowance for doubtful accounts

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

②Accrued warranty costs

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

(4) Accounting for retirement benefits

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

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

Actuarial gain and loss are amortized in the year following the year in which actuarial gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees (principally 7 to 26 years). Some foreign subsidiaries have adopted the corridor approach for actuarial gain and loss, and amortize them over the average remaining years of services of the eligible employees or the average life expectancy of the eligible employees.

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

(5) Reporting of significant revenue and expenses

Businesses of the Group are segmented into Automobile and Sales financing based on the features of products and services.

The Automobile business includes manufacturing and sales of vehicles and parts. The Sales financing business provides sales finance services and leasing to support the sales activities of the Automobile business.

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

The Group provides incentives primarily to dealers, and these incentives are calculated based on total vehicle volume or vehicle unit sales of certain models sold by dealers during a specified period of time. The Group accrues these amounts as incentives upon the sale of vehicles using the "most likely amount method" and deducts them from revenue.

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

In addition, product sales contracts with customers include warranty clauses to cover free replacement or repair needed to correct defects in materials or workmanship of all parts and components and the Group recognizes provisions for product warranties to meet these guarantees. The provisions for such warranty costs are booked as described above in (3) Basis for significant reserves.

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

(6) Foreign currency translation

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

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

(7) Hedge accounting method

①Hedge accounting method

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

If qualifies for specific conditions, the following exceptional hedge treatments can be applied.

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

Foreign subsidiaries and affiliates apply hedge accounting based on the risk of hedged items in accordance with IFRS or US GAAP.

②Hedging instruments and hedged items

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

③Hedging policy

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

④Assessment of hedge effectiveness

An assessment of hedge effectiveness is required for foreign subsidiaries and affiliates reporting under IFRS or US GAAP, however, this can be omitted under JGAAP when the terms of hedged items are substantially same as those of hedging instruments.

(8) Amortization of goodwill

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

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

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

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

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

(10) Adoption of group tax sharing system and consolidated taxation system

The Company and some of its domestic consolidated subsidiaries have adopted the group tax sharing system. In addition, some of its foreign consolidated subsidiaries have adopted the consolidated taxation system.

(Significant accounting estimates)

1. Impairment loss on fixed assets

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

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

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

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

The assumptions used to estimate future cash flows are based on the Company's business plan which is approved by the Management meeting. Based on the business plan that takes into account the semiconductor shortage, geopolitical risks, and the increase in raw material and energy prices, future cash flows are estimated considering historical market share conditions and profit margins, regional market growth rates with reference to a third-party TIV forecast, relevant market trends including foreign exchange rates, and expected changes in the business environment. Net realizable value is calculated based on the real estate appraisal value etc. and other publicly available information. The discount rate is calculated based on the weighted average cost of capital, taking into account country risk and other factors in each country.

The balance of business-use assets of the automobile business in the consolidated balance sheet of the current fiscal year is ¥2,575,759 million. As a result of impairment testing for an asset group for which there was an indication of impairment due to continuous operation losses in the current fiscal year, impairment loss on business-use assets was not recognized.

If market trends, economic environment or preconditions for business plans change significantly in relation to the asset group, and the Company revises its estimates of future cash flows and net realizable value, then business-use assets may be impaired.

2. Deferred tax assets

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

The net amount of deferred tax assets in the consolidated balance sheet of the current fiscal year is ¥192,191 million. The amounts of deferred tax assets and valuation allowances before offsetting are stated in the notes (For tax-effect accounting).

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

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

The net amount of deferred tax assets of the Company is ¥158,391 million. The Company evaluates the recoverability of deferred tax assets based on a reasonable estimate of taxable income for the next fiscal year based on the Company's business plan.

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

3. Allowance for doubtful accounts

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

The allowance for doubtful accounts of the sales finance business in the consolidated balance sheet of the current fiscal year is ¥124,414 million. The allowance for doubtful accounts of Nissan Motor Acceptance Company LLC, which complies with Financial Accounting Standards Board (FASB) ASC 326 is ¥69,927 million.

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

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

Certain foreign subsidiaries and affiliates which apply International Financial Reporting Standards (IFRS) 9 and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326 recognize allowances for doubtful accounts based on financial asset impairment losses calculated using the expected credit loss model.

Under IFRS 9, expected credit loss is calculated after classifying financial assets into stages according to their credit risk, while under ASC 326, expected credit loss over the remaining life is calculated for all financial receivables without classifying the stages. It is required to measure credit losses from future projected default events at the present value. Allowances under IFRS and ASC can increase or decrease based on the changes in assumptions that drive credit risk assessments, such as past experience, used car prices, and forecasts of macroeconomic factors, such as unemployment rates or inflation.

4. Provision for residual value risk of leased vehicles

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

Provision for loss on residual value of leased vehicles recorded in the machinery and equipment (net amount) in the balance sheet of the current fiscal year is ¥90,943 million. The book value of assets under lease contracts (lessor) is shown in the notes (For consolidated balance sheets) 2 ※2.

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

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

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

5. Expenses for market measures such as recalls

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

Service cost recorded in the consolidated statement of income for the current fiscal year is ¥94,364 million.

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

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

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

(Changes in presentation)

1. Consolidated statement of income

“Reversal of compensation for suppliers and others,” which was included in “Other” under “Special gains” in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality. To reflect this change, ¥10,314 million of “Other” under “Special gains” in the prior fiscal year has been reclassified into “Reversal of compensation for suppliers and others” in the consolidated statement of income for the prior fiscal year provided herein.

“Gain on sales of investment securities,” which was presented as a separate account under “Special gains” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥78,104 million of “Gain on sales of investment securities” under “Special gains” in the prior fiscal year has been reclassified into “Other” in the consolidated statement of income for the prior fiscal year provided herein.

“Loss on sales of shares of subsidiaries and affiliates,” which was included in “Other” under “Special losses” in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality.
To reflect this change, ¥1,822 million of “Other” under “Special losses” in the prior fiscal year has been reclassified into “Loss on sales of shares of subsidiaries and affiliates” in the consolidated statement of income for the prior fiscal year provided herein.

“Special addition to retirement benefits,” which was presented as a separate account under “Special losses” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥6,802 million of “Special addition to retirement benefits” under “Special losses” in the prior fiscal year has been reclassified into “Other” in the consolidated statement of income for the prior fiscal year provided herein.

2. Consolidated statement of cash flows

“Loss (gain) on sales of shares of subsidiaries and affiliates,” which was included in “Other” under “Cash flows from operating activities” in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality.
To reflect this change, ¥1,252 million of “Other” under “Cash flows from operating activities” in the prior fiscal year has been reclassified into “Loss (gain) on sales of shares of subsidiaries and affiliates” in the consolidated statement of cash flows for the prior fiscal year provided herein.

“Loss (gain) on sales of investment securities,” which was presented as a separate account under “Cash flows from operating activities” in the prior fiscal year, has been included in “Other” in the current fiscal year due to its decreased financial materiality.
To reflect this change, ¥(78,104) million of “Loss (gain) on sales of investment securities” under “Cash flows from operating activities” in the prior fiscal year has been reclassified into “Other” in the consolidated statement of cash flows for the prior fiscal year provided herein.

(Additional information)

Exit from the Russian market

The Company decided to transfer all shares of Nissan Manufacturing RUS, Limited Liability Company to the Central Research and Development Automobile Engine Institute and exit from the Russian market in October 2022, and the transfer was completed in November 2022.
In the current fiscal year, the Company recorded expenses of ¥120.0 billion related to said transfer under “Special losses,” such as “Loss on sales of shares of subsidiaries and affiliates,” “Loss on transfer of receivables,” “Compensation for suppliers and others,” and “Other.”

(For consolidated balance sheets)

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

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Accumulated depreciation of property, plant and equipment	5,973,584	6,129,595
(Accumulated depreciation of leased assets included)	146,209	126,423

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Assets leased to others under lease agreements (lessor)	2,049,047	1,981,554

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

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

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Sales finance receivables	2,109,503 (2,109,503)	2,376,984 (2,376,984)
Machinery, equipment and vehicles, net	515,637 (515,637)	771,166 (771,166)
Other in Investments and other assets	— (—)	156 (156)
Total	2,625,140	3,148,306

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

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Short-term borrowings	508,391 (508,391)	841,692 (841,692)
Long-term borrowings (including the current portion)	1,167,263 (1,167,263)	1,131,273 (1,131,273)
Total	1,675,654	1,972,965

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

4 Guarantees and others

Prior fiscal year (As of March 31, 2022)

(1) Guarantees

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

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

(*2) The guarantee balance of ¥773 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

(2) Commitments to provide guarantees

Guarantees	Balance of commitments to provide guarantees (Millions of yen)	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	6	Commitments to provide guarantees for loans

Current fiscal year (As of March 31, 2023)

Guarantees

Guarantees	Balance of liabilities guaranteed (Millions of yen)	Description of liabilities guaranteed
Employees	(*1) 12,466	Guarantees for employees' housing loans and others
1 foreign rental car company	(*2) 525	Guarantees for loans and others
Total	12,991	

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

(*2) The guarantee balance of ¥525 million is the guarantees made by a foreign subsidiary to a financial institution that financed vehicles sold to a foreign rental car company. If the foreign rental car company defaults on its obligations, the foreign subsidiary needs to compensate the financial institution for the contractual repurchase price and take possession of the vehicles. The amount stated does not consider monetary amounts the foreign subsidiary could potentially recover from subsequently selling the repossessed vehicles.

5 Contingent Liabilities

・Lawsuits related to Takata's airbag inflators

Mainly in the United States ("U.S.") and Canada various putative class action lawsuits, civil lawsuits and lawsuits by states related to Takata's airbag inflator have been filed against the Company, consolidated subsidiaries and other Original Equipment Manufacturers. The lawsuits allege that the subject airbag inflators did not function properly, and seek, among others, damages for economic losses, incurred costs, decline in the value of vehicles, and, in certain cases, personal injury as well as punitive damages. Most of the class action lawsuits in the U.S. were consolidated into a multi-district litigation, and the court granted final approval to the proposed settlement in February 2018. This settlement payment has been paid in full.

On the other hand, for other ongoing lawsuits, management has not recognized a provision for loss contingencies because as of the date of this report it is not possible to reasonably estimate the amount, if any, of any potential future losses because there are some uncertainties, such as these lawsuits are still in progress.

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

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

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

・Pending lawsuit against Nissan Motor Acceptance Company LLC

There was an ongoing lawsuit with Superior Automotive Group, LLC, et al., in relation to suspending credit lines. There was a possibility that the consolidated financial results may be affected by the progress of legal proceeding. The management has not recognized a provision for loss contingencies because it was not possible to reasonably estimate the amount of any potential future losses at the time of preparation of the consolidated financial statements in accordance with Article 444, Paragraph 3 of the Companies Act.

Thereafter, during the period up to the filing date of this Securities Report, a settlement was reached on this matter. The related expenses are expected to be recorded in the next fiscal year.

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

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Goodwill	2,565	8,260

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

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investments in stock of unconsolidated subsidiaries and affiliates	1,024,013	1,145,497
(Investments in stock of joint ventures included)	555,882	566,418

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Lease receivables	23,758	26,788
Lease investment assets	158,460	165,360

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total credit lines of overdrafts and loans	252,716	324,961
Loans receivable outstanding	91,876	162,348
Unused credit lines	160,840	162,613

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

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

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

(For consolidated statement of income)

1 ※1 Revenue from contracts with customers

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

2 ※2 Total research and development costs

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Research and development costs included in manufacturing costs and selling, general and administrative expenses	484,065	522,221

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

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cost of sales	(459)	198
Special losses (Other)	3,161	9,744

4 ※4 Gain on sales of fixed assets

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

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

Current fiscal year (From April 1, 2022 to March 31, 2023)

Gain on sales of fixed assets primarily consisted of a gain on sale of machinery, equipment and vehicles of ¥22,111 million.

5 ※5 Loss on sales of fixed assets

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

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

Current fiscal year (From April 1, 2022 to March 31, 2023)

Loss on sales of fixed assets primarily consisted of a loss on sale of land of ¥4,107 million and a loss on sale of machinery, equipment and vehicles of ¥1,157 million.

6 ※6 Impairment loss

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

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

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

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

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

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

Current fiscal year (From April 1, 2022 to March 31, 2023)

The following loss on impairment of fixed assets was recorded.

Usage	Type	Location	Amount (Millions of yen)
Idle assets	Machinery, equipment and vehicles, Construction in progress and others	Japan, North America, Europe, Asia (Total 10 locations)	6,980
Assets to be sold	Land and Buildings and structures	Japan (Total 2 locations)	152
Assets to be disposed of	Buildings and structures and others	Japan (Total 14 locations)	1,483

The Group bases its grouping for assessing the impairment loss on fixed assets both on its business segments (automobiles and sales financing) and on the regional classifications that are complementary with each other. The Group determines whether an asset is impaired on an individual asset basis if the asset is considered idle or if it is to be disposed of.

The Company and some of its consolidated subsidiaries have recognized an impairment loss on idle assets and assets to be disposed of by reducing their net book value to the respective recoverable value of each asset. Such loss amounted to ¥8,615 million and has been recorded as special losses in the accompanying consolidated statement of income. This impairment loss consisted of losses of ¥6,980 million on idle assets (machinery, equipment and vehicles - ¥3,793 million; construction in progress - ¥2,127 million; and others - ¥1,060 million), losses of ¥152 million on assets to be sold (land - ¥141 million, and buildings and structures - ¥11 million), and losses of ¥1,483 million on assets to be disposed of (buildings and structures - ¥1,217 million, and others - ¥266 million).

The recoverable value of these assets was measured primarily at net sales value. Idle assets and assets to be disposed of were evaluated based on the appraisal value calculated in accordance with real estate appraisal standards, etc., and those that were difficult to convert to other uses or sell were assessed at zero. Assets to be sold were evaluated based on sales contracts.

(For consolidated statements of comprehensive income)

※1 Reclassification adjustments and tax effects concerning other comprehensive income

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Unrealized holding gain and loss on securities:		
Amount arising during the period	(9,891)	174
Reclassification adjustments for gains and losses realized in net income	(77,044)	—
Before tax-effect adjustment	(86,935)	174
Amount of tax effects	26,988	(34)
Unrealized holding gain and loss on securities	(59,947)	140
Unrealized gain and loss from hedging instruments:		
Amount arising during the period	(28,827)	(135,149)
Reclassification adjustments for gains and losses realized in net income	66,824	96,928
Adjustments of acquisition cost for assets	(295)	519
Before tax-effect adjustment	37,702	(37,702)
Amount of tax effects	(10,744)	11,702
Unrealized gain and loss from hedging instruments	26,958	(26,000)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting:		
Amount arising during the period	(140)	(1,479)
Reclassification adjustments for gains and losses realized in net income	—	—
Before tax-effect adjustment	(140)	(1,479)
Amount of tax effects	—	—
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(140)	(1,479)
Translation adjustments:		
Amount arising during the period	350,114	254,370
Reclassification adjustments for gains and losses realized in net income	721	45,836
Before tax-effect adjustment	350,835	300,206
Amount of tax effects	—	—
Translation adjustments	350,835	300,206
Remeasurements of defined benefit plans:		
Amount arising during the period	67,710	(34,821)
Reclassification adjustments for gains and losses realized in net income	(6,255)	(14,304)
Before tax-effect adjustment	61,455	(49,125)
Amount of tax effects	(2,661)	24,586
Remeasurements of defined benefit plans	58,794	(24,539)
The amount related to equity method companies		
Amount arising during the period	73,733	113,203
Reclassification adjustments for gains and losses realized in net income	618	4,107
Before tax-effect adjustment	74,351	117,310
Amount of tax effects	—	—
The amount related to equity method companies	74,351	117,310
Total other comprehensive income	450,851	365,638

(For consolidated statement of changes in net assets)

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

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

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

Notes: 1. Details of the increase are as follows: (Thousands of shares)

Increase in stocks held by affiliates accounted for by the equity method 802

Increase due to purchase of stocks of less than a standard unit 3

2. Details of the decrease are as follows:

Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program 1,204

2. Share subscription rights

Not applicable.

3. Dividends

(1) Dividends paid

Not applicable.

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

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

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

Current fiscal year (From April 1, 2022 to March 31, 2023)

1. Shares issued and outstanding / Treasury stock

(Thousands of shares)

Type of shares	At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year
Shares issued: Common stock	4,220,715	—	—	4,220,715
Treasury stock: Common stock (Notes)	306,252	3	(2,896)	303,359

Notes: 1. Details of the increase are as follows: (Thousands of shares)

Increase in stocks held by affiliates accounted for by the equity method 0

Increase due to purchase of stocks of less than a standard unit 3

2. Details of the decrease are as follows:

Decrease due to disposal of treasury stock under the Restricted Stock Unit (RSU) program 2,144

Decrease in stocks held by affiliates accounted for by the equity method 752

2. Share subscription rights

Company	Description	Type of shares to be issued	Number of shares to be issued (Thousands)				Balance at the end of current fiscal year (Millions of yen)
			At the beginning of current fiscal year	Increase	Decrease	At the end of current fiscal year	
Parent company	—	—	—				—
Consolidated subsidiaries	Subscription rights as stock options	—	—				273
Total		—					273

3. Dividends

(1) Dividends paid

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

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

(2) Dividends, for which the record date was in the year ended March 31, 2023 and the effective date of which is in the year ending March 31, 2024

Resolution	Type of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Annual general meeting of the shareholders on June 27, 2023	Common stock	39,174	Retained earnings	10	March 31, 2023	June 28, 2023

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

(For consolidated statements of cash flows)

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

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cash on hand and in banks	1,432,047	1,798,475
Time deposits with maturities of more than three months	—	—
Cash equivalents included in securities (*)	360,645	215,912
Cash and cash equivalents	1,792,692	2,014,387

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

2 ※2 Major components of the assets and liabilities of the companies that have been consolidated by the acquisition of their shares

The following assets and liabilities have been consolidated by the acquisition of Vehicle Energy Japan Inc. and its two subsidiaries' shares. The relation between the acquisition value of their shares and the net payments is as follows.

	(Millions of yen)
Current assets	28,812
Fixed assets	44,927
Goodwill	6,831
Current liabilities	(51,309)
Long-term liabilities	(13,746)
Share subscription rights	(226)
Non-controlling interests	(4,484)
Acquisition value of shares	10,805
Cash and cash equivalents	(2,735)
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	8,070

Other than the above, there were payments of ¥1,660 million for the purchase of shares of subsidiaries resulting in changes in the scope of consolidation. However, the amount of assets and liabilities of the relevant subsidiaries was negligible.

3 ※3 Major components of the assets and liabilities of a company that have been excluded from the scope of consolidation as a result of business divestiture

Components of assets and liabilities related to the exclusion of Nissan Manufacturing RUS, Limited Liability Company from the scope of consolidation through business divestiture and the relation between the share transfer price and net payments is as follows.

	(Millions of yen)
Current assets	62,424
Fixed assets	424
Current liabilities	(57,212)
Long-term liabilities	(5,994)
Accumulated other comprehensive income	45,704
Loss on sales of shares of subsidiaries and affiliates	(45,346)
Share transfer price	0
Cash and cash equivalents	(30,755)
Payments for sales of subsidiaries' shares resulting in changes in the scope of consolidation	(30,755)

Other than the above, there were payments of ¥87 million for the sale of subsidiaries' shares resulting in changes in the scope of consolidation. However, the amount of assets and liabilities of the relevant subsidiaries was negligible.

(For lease transactions)

1. Finance lease transactions

(Lessees)

(1) Leased assets

Leased assets primarily consist of dies and buildings.

(2) Depreciation method for leased assets

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

(Lessors)

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

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Lease income receivable	171,095	178,198
Estimated residual value	2,879	2,415
Interest income equivalent	(15,514)	(15,253)
Lease investment assets	158,460	165,360

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

	Lease receivables	Lease investment assets
Due within one year	18,035	96,786
Due after one year but within two years	7,272	47,243
Due after two years but within three years	324	21,416
Due after three years but within four years	166	8,631
Due after four years but within five years	72	3,750
Due after five years	56	372

2. Operating lease transactions

(Lessees)

Future minimum lease payments subsequent to March 31, 2022 and March 31, 2023 are summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Due in one year or less	1,159	1,438
Due after one year	9,690	7,590
Total	10,849	9,028

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

(Lessors)

Future minimum lease income subsequent to March 31, 2022 and March 31, 2023 is summarized as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Due in one year or less	360,856	344,753
Due after one year	378,865	285,328
Total	739,721	630,081

(For financial instruments)

1. Financial Instruments

(1) Policies on financial instruments

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

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

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

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

(2) Description of financial instruments and related risks

① Trade notes and accounts receivable

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

② Sales finance receivables

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

③ Securities and investment securities

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

④ Trade notes and accounts payable

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

⑤ Borrowings, bonds and lease obligations

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

⑥ Derivative transactions

(1) Forward foreign exchange contracts

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

(2) Currency options

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

(3) Interest rate swaps

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

(4) Currency swaps

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

(5) Interest rate options

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

(6) Commodity swaps

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

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

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

① Management of market risk

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

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

② Management of credit risk

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

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

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

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

③ Management of liquidity risk related to financing

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

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

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

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

2. Fair Value of Financial Instruments

The following tables indicate the amount recorded in the consolidated balance sheets, the fair value and the difference as of March 31, 2022 and March 31, 2023 for various financial instruments.

Prior fiscal year (As of March 31, 2022)

(Millions of yen)

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

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

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

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

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

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

(Millions of yen)

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

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

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

Current fiscal year (As of March 31, 2023)

(Millions of yen)

	Amount recorded in the consolidated balance sheets	Fair value	Difference
(1) Sales finance receivables (*2)	6,439,198		
Allowance for doubtful accounts (*3)	(125,287)		
Subtotal (*4)	6,313,911	6,303,076	(10,835)
(2) Investment securities (*5)	549,043	517,229	(31,814)
(3) Long-term loans receivable	12,680		
Allowance for doubtful accounts (*3)	(2,972)		
Subtotal	9,708	9,708	—
Total assets	6,872,662	6,830,013	(42,649)
(1) Bonds (*6)	2,614,464	2,457,818	156,646
(2) Long-term borrowings (*7)	3,098,507	3,046,467	52,040
(3) Lease obligations (*7)	136,115	136,064	51
Total liabilities	5,849,086	5,640,349	208,737
Derivative transactions (*8)	12,684	12,684	—

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

(*2) The amount recorded in the consolidated balance sheets for sales finance receivables is presented with the amount after deducting ¥41,407 million of deferred installments income and others.

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

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

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

(Millions of yen)

Classification	Current fiscal year
Unlisted stocks	623,762
Limited liability partnership	4,027

(*6) Bonds include the current portion of bonds under current liabilities. The difference between the amount recorded in the consolidated balance sheets and the fair value is mainly due to the market interest rates.

(*7) Long-term borrowings and lease obligations include the current portion of long-term borrowings and lease obligations under current liabilities.

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

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

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due after ten years
Cash on hand and in banks	1,798,475	—	—	—
Trade notes and accounts receivable, and contract assets	585,639	—	—	—
Sales finance receivables (*1)	2,583,206	3,707,448	148,537	7
Long-term loans receivable	133	11,082	1,214	251
Total	4,967,453	3,718,530	149,751	258

(*1) The amount of sales finance receivables is presented with the amount after deducting ¥41,407 million of deferred installment income and others

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	1,101,978	—	—	—	—	—
Commercial papers	88,000	—	—	—	—	—
Bonds	556,367	224,747	706,086	213,508	423,918	489,838
Long-term borrowings	1,085,256	723,205	766,329	313,198	142,085	68,434
Lease obligations	50,061	26,387	16,549	14,096	9,726	19,296
Total	2,881,662	974,339	1,488,964	540,802	575,729	577,568

3. Fair Value of Financial Instruments by levels

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

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

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

Level 3: Fair value derived from unobservable inputs.

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

(1) Financial instruments measured at fair value

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities Other securities Stock	1,936	—	—	1,936
Total assets	1,936	—	—	1,936
Derivative transactions (*1)	—	12,684	—	12,684
Currency-related transactions	—	(8,226)	—	(8,226)
Interest-related transactions	—	20,967	—	20,967
Commodity-related transactions	—	(57)	—	(57)

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

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
(1) Sales finance receivables	—	—	6,303,076	6,303,076
(2) Investment securities				
Other securities				
Stock	515,293	—	—	515,293
(3) Long-term loans receivable	—	—	9,708	9,708
Total assets	515,293	—	6,312,784	6,828,077
(1) Bonds	—	2,457,818	—	2,457,818
(2) Long-term borrowings	—	3,046,467	—	3,046,467
(3) Lease obligations	—	136,064	—	136,064
Total liabilities	—	5,640,349	—	5,640,349

(Note) Valuation techniques and inputs are as follows:

Investment securities

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

Derivative transactions

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

Sales finance receivables

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

Long-term loans receivable

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

Bonds

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

Long-term borrowings and lease obligations

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

(For securities)

1. Other securities

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Types of securities	Carrying value	Acquisition cost	Difference
(Securities whose carrying value exceeds their acquisition cost)			
Stock	1,461	113	1,348
Others	4,027	217	3,810
Subtotal	5,488	330	5,158
(Securities whose carrying value does not exceed their acquisition cost)			
Stock	25,847	26,057	(210)
Others	215,912	215,912	—
Subtotal	241,759	241,969	(210)
Total	247,247	242,299	4,948

2. Other securities sold during the fiscal year

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

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

Current fiscal year (From April 1, 2022 to March 31, 2023)
This information is not provided due to its low materiality.

3. Reclassified securities

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

Current fiscal year (From April 1, 2022 to March 31, 2023)
Not applicable.

4. Securities for which an impairment loss was recognized

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

Current fiscal year (From April 1, 2022 to March 31, 2023)
Not applicable.

(For derivative transactions)

1. Derivative transactions for which hedge accounting is not adopted

(1) Currency-related transactions

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts:				
	Buy:				
	USD	5,791	—	(168)	(168)
	Swaps:				
	EUR	248,940	—	1,037	1,037
	USD	795,643	127,274	35,787	35,787
	CAD	25,014	—	(45)	(45)
	ZAR	14,003	—	(328)	(328)
	AUD	22,999	—	(284)	(284)
Total		—	—	35,999	35,999

(2) Interest-related transactions

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Classification	Type	Notional amounts	Portion due after one year included herein	Fair value	Valuation gain or loss
Non-market transactions	Swaps:				
	Receive floating/pay fixed	130,599	110,509	3,148	3,148
	Receive fixed/pay floating	30,896	30,896	(1,196)	(1,196)
	Options				
	Caps sold	1,142,522	634,738		
	(Premium)	(4,237)	(3,771)	(7,166)	(2,930)
	Caps purchased	1,142,522	634,738		
	(Premium)	4,266	3,800	7,195	2,959
Total		—	—	1,981	1,981

(3) Commodity-related transactions

Prior fiscal year (As of March 31, 2022)

Not applicable.

Current fiscal year (As of March 31, 2023)

Not applicable.

2. Derivative transactions for which hedge accounting is adopted

(1) Currency-related transactions

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Forward foreign exchange contracts: Sell:				
	USD	Trade accounts receivable (forecasted transaction)	409,501	25,150	(37,753)
	Swaps:				
	USD	Short-term borrowings and long-term borrowings	96,504	74,306	(5,222)
	THB	Long-term borrowings	9,636	—	(1,250)
Special treatment	Swaps:				
	USD	Bonds	138,034	—	Note
Total			—	—	(44,225)

Note: Fair value of currency swaps is included in that of corresponding hedged bonds in "2. Fair Value of Financial Instruments" under "For financial instruments" as those currency swaps are treated as underlying transactions of hedged items.

(2) Interest-related transactions

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

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Swaps: Receive floating/pay fixed	Short-term borrowings, Long-term borrowings and bonds	1,217,405	946,952	18,986
Special treatment	Swaps: Receive floating/pay fixed	Long-term borrowings	35,500	35,500	Note
Total			—	—	18,986

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

(3) Commodity-related transactions

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

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

Current fiscal year (As of March 31, 2023) (Millions of yen)

Method of hedge accounting	Type of transactions	Major hedged items	Notional amounts	Portion due after one year included herein	Fair value
Deferral hedge accounting	Commodity swaps: Receive floating/pay fixed	Aluminum	12,553	1,019	(337)
		Copper	6,914	730	331
		Platinum	40	—	(0)
		Palladium	211	—	(51)
Total			—	—	(57)

(For retirement benefits)

1. Description of retirement benefit plans

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

2. Defined-benefit pension plan

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

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Retirement benefit obligation at the beginning of the year	1,426,509	1,384,925
Service cost	23,474	22,538
Interest cost	24,198	31,303
Actuarial gain and loss generated	(80,824)	(188,392)
Past service cost generated	(1)	(10)
Retirement benefits paid	(70,543)	(80,557)
Effect of foreign exchange translation	60,660	47,910
Other	1,452	207
Retirement benefit obligation at the end of the year	1,384,925	1,217,924

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

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Plan assets at the beginning of the year	1,200,175	1,252,591
Expected return on plan assets (Note)	48,774	55,379
Actuarial gain and loss generated	2,027	(211,942)
Contribution from employers	23,423	35,132
Retirement benefits paid	(64,268)	(74,725)
Effect of foreign exchange translation	42,160	33,137
Other	300	1,840
Plan assets at the end of the year	1,252,591	1,091,412

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

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

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net defined benefit liability and assets at the beginning of the year	1,347	2,248
Retirement benefit expenses	139	211
Retirement benefits paid	(111)	(185)
Contribution to plans	(38)	(41)
Effect of change in the scope of consolidation	911	—
Net defined benefit liability and assets at the end of the year	2,248	2,233

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Retirement benefit obligation for funded plans	1,299,726	1,128,573
Plan assets	(1,255,427)	(1,093,717)
	44,299	34,856
Retirement benefit obligation for unfunded plans	90,283	93,889
Net defined benefit liability and assets reported on the consolidated balance sheets	134,582	128,745
Net defined benefit liability	191,073	184,851
Net defined benefit assets	(56,491)	(56,106)
Net defined benefit liability and assets reported on the consolidated balance sheets	134,582	128,745

(5) Breakdown of retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Service cost (Note 1)	23,613	22,749
Interest cost	24,198	31,303
Expected return on plan assets	(48,774)	(55,379)
Amortization of actuarial gain and loss	(3,985)	(12,856)
Amortization of past service cost	(2,270)	(1,448)
Other	201	174
Retirement benefit expenses for defined benefit plans	(7,017)	(15,457)

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

2. In addition to the retirement benefit expenses referred to above, additional retirement expenses of ¥6,802 million for the prior fiscal year and ¥1,599 million for the current fiscal year were accounted for as “Other”, under “Special losses” in the consolidated statement of income.

(6) Remeasurements of defined benefit plans

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

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Past service cost	(2,605)	(1,775)
Actuarial gain and loss	64,060	(47,350)
Total	61,455	(49,125)

(7) Remeasurements of defined benefit plans

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Unrecognized past service cost	(560)	(2,335)
Unrecognized actuarial gain and loss	5,415	(41,935)
Total	4,855	(44,270)

(8) Matters regarding plan assets

①Major components of plan assets

Plan assets consist of the following.

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Stocks	38%	32%
Bonds	40%	40%
Cash and deposits	1%	6%
Real estate (including REITs)	9%	10%
Other	12%	12%
Total	100%	100%

Notes: 1. Securities contributed to the retirement benefit trust included in the total plan assets were 1.1% for the prior year and 1.2% for the current fiscal year.

2. "Other" includes components for which it is difficult to categorize into specific types of plan assets, such as stocks and bonds, and to identify the percentage and the amount by types of assets.

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

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

(9) Assumptions used in actuarial calculations

Major assumptions used in actuarial calculations

Domestic companies

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Discount rates	0.3%–1.0%	0.7%–1.6%
Long-term expected rates of return on plan assets	Mainly 4.0%	Mainly 4.0%
Expected future salary increase	1.8%–4.2%	1.8%–4.2%

Foreign companies

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Discount rates	1.5%–3.9%	3.1%–5.3%
Long-term expected rates of return on plan assets (US GAAP adoption companies only)	Mainly 7.8%	Mainly 7.8%
Expected future salary increase	2.5%–6.0%	2.5%–6.0%

3. Defined-contribution pension plans

The required amounts of contribution to the Group's defined-contribution pension plans were ¥22,596 million for the prior fiscal year and ¥27,092 million for the current fiscal year.

(For share-based payments)

1. The account and the amount of stock options charged as expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2021 To March 31, 2022)	Current fiscal year (From April 1, 2022 To March 31, 2023)
Cost of sales	—	36
Salaries and wages in Selling, general and administrative expenses	—	11

2. Description of stock options/Changes in the size of stock options

(1) Description of stock options

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Date of resolution	May 27, 2021
Category and number of people to whom stock options are granted	The company's directors: 3 The company's executive officers: 4 The company's employees: 166 Total: 173
Type and number of shares granted	Common stock 64,600 shares
Grant date	July 1, 2021
Vesting conditions	① The holder of the share subscription rights must be continuously employed by the company or its affiliates, or on a consignment contract with the company until the exercise date of the share subscription rights. However, this shall not apply when a director or executive officer retires due to the expiration of his/her term of office, when an employee retires due to mandatory retirement age or when the company's board of directors approves other justifiable reasons. ② The share subscription rights may be exercised only if the shares of common stock of the company underlying the share subscription rights are listed on a securities exchange in Japan at the time of exercise. ③ Exercise of share subscription rights by heirs of holders of the share subscription rights is not permitted. ④ The other conditions for exercising share subscription rights shall be as set forth in the "Share Subscription Rights Allotment Agreement" concluded between the company and the subscription right holders.
Vesting period	July 1, 2021 to June 30, 2023
Exercise period	July 1, 2023 to June 30, 2025

(2) Changes in the size of stock options

The following describes changes in the size of stock options that existed during the year ended March 31, 2023. The number of stock options is translated into the number of shares.

① Number of stock options

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Share subscription rights that are not yet vested (shares):	
Balance at the beginning of the current period	62,100
Granted	—
Forfeited	1,300
Vested	—
Balance of options not vested	60,800
Share subscription rights that have already been vested (shares):	
Balance at the beginning of the current period	—
Vested	—
Exercised	—
Forfeited	—
Balance of options not exercised	—

Notes: The number of shares at the beginning of the current period is the balance of shares of the company when it was consolidated in the current fiscal year.

② Per share prices

	1st share subscription rights
Company name	Vehicle Energy Japan Inc.
Exercise price (Yen)	1
Average price per share upon exercise (Yen)	—
Fair value per share at grant date (Yen)	5,130

3. Method for estimating the per share fair value of stock options

The per share fair value of the 1st share subscription rights was estimated as follows.

(1) Estimation technique: Binomial model

(2) Basic factors taken into account for the estimation:

Price per share at grant date (Note 1)	5,131 yen
Exercise price	1 yen
Expected volatility of the share price (Note 2)	48.021%
Expected life of the option	4 years
Expected dividend	—
Risk-free interest rate (Note 3)	(0.121%)

Notes: 1. Since the company is unlisted, the valuation was determined using the discounted cash flow method based on the company's business plan.
2. The average of the actual volatilities of several similar listed companies is used.
3. The risk-free interest rate is the yield on government bonds for the period that corresponds to the remaining life of the option.

4. Estimation of the number of stock options vested

Because it is difficult to reasonably estimate the number of options that will expire in the future, only the number of options actually forfeited is reflected.

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Deferred tax assets:		
Net operating loss carry forwards (*2)	369,145	303,797
Foreign tax credit	169,143	299,214
Research and development expenses	106,261	120,818
Impairment loss	127,248	92,850
Accrued warranty costs	57,878	58,287
Net defined benefit liability	47,549	58,140
Deferred tax credit	118,309	54,792
Service costs	52,382	53,997
Allowance for doubtful accounts	46,392	48,744
Sales incentives	21,085	38,002
Excess depreciation	16,759	28,667
Allowance for bonus	18,454	26,476
Loss for residual value risk of leased vehicles	31,797	24,878
Other	257,985	269,324
Total gross deferred tax assets	1,440,387	1,477,986
Valuation allowance for net operating loss carry forwards (*2)	(287,720)	(221,038)
Valuation allowance for the sum of deductible temporary differences, etc.	(395,822)	(469,783)
Valuation allowance (*1)	(683,542)	(690,821)
Total deferred tax assets	756,845	787,165
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law, etc.	(625,380)	(560,199)
Foreign subsidiaries unitary tax	(119,175)	(163,447)
Difference between cost of investments and their underlying net equity at fair value on land	(50,057)	(40,048)
Other	(127,060)	(130,536)
Total deferred tax liabilities	(921,672)	(894,230)
Net deferred tax assets	(164,827)	(107,065)

(*1) The valuation allowance increased by ¥7,279 million. This was mainly due to the Company's additional recognition of valuation allowances for deductible temporary differences, etc partially offset by a reversal of valuation allowances for net operating loss carry forwards.

(*2) The amounts of net operating loss carry forwards and corresponding deferred tax assets by due period.

Prior fiscal year (As of March 31, 2022)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	22,448	15,261	17,413	22,961	14,237	276,825	369,145
Valuation allowance	(21,395)	(14,233)	(14,594)	(19,368)	(12,609)	(205,521)	(287,720)
Deferred tax assets (b)	1,053	1,028	2,819	3,593	1,628	71,304	81,425

(a) The net operating loss carry forwards represent the amounts after being multiplied by the effective statutory tax rate.

(b) Deferred tax assets of ¥81,425 million were recognized for the balance of net operating loss carry forwards of ¥369,145 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

Current fiscal year (As of March 31, 2023)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Net operating loss carry forwards (a)	20,685	17,791	24,071	13,478	27,826	199,946	303,797
Valuation allowance	(19,010)	(15,316)	(22,734)	(13,001)	(25,495)	(125,482)	(221,038)
Deferred tax assets (b)	1,675	2,475	1,337	477	2,331	74,464	82,759

(a) The net operating loss carry forwards represent the amounts after being multiplied by the effective statutory tax rate.

(b) Deferred tax assets of ¥82,759 million were recognized for the balance of net operating loss carry forwards of ¥303,797 million (amount multiplied by the effective statutory tax rate). After estimating the future taxable income, the deferred tax assets relating to net operating loss carry forwards are assessed as recoverable.

2. The reconciliation between the effective tax rates reflected in the consolidated financial statements and the effective statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Statutory tax rate of the Company	30.6%	30.6%
(Reconciliation)		
・ Different tax rates applied to foreign consolidated subsidiaries	(6.5%)	(7.8%)
・ Change in valuation allowance	16.7%	3.0%
・ Equity in gain and loss of affiliates	(7.5%)	(12.6%)
・ Foreign tax credits carried forward	(5.2%)	(21.7%)
・ Foreign subsidiaries unitary tax(*)	9.4%	31.0%
・ Adjustments for the uncertain tax treatments on income taxes	1.5%	6.4%
・ Impacts on the exit from the Russian market	—	3.8%
・ Other	(1.1%)	7.4%
Effective tax rates after adoption of tax-effect accounting	37.9%	40.1%

(*) Foreign subsidiaries unitary tax includes tax credits recognized based on the tax rules applied.

(Changes in Presentation)

"Foreign tax credits carried forward" and "Adjustments for the uncertain tax treatments on income taxes" included in prior fiscal year's "Other" are presented separately due to its increased materiality in current fiscal year. Prior fiscal year presentation is reclassified to reflect these changes.

3. Accounting for corporate, local corporate income taxes and related tax-effect accounting

The Company and some of its domestic subsidiaries transitioned from the consolidated taxation system to the group tax sharing system from the fiscal year ended March 31, 2023. Accordingly, corporate, local corporate income taxes, and tax-effect accounting are accounted for and disclosed in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (PITF No. 42, August 12, 2021; hereinafter "PITF 42"). In addition, based on Article 32 (1) of PITF 42, the effects of the change in accounting policies due to the adoption of PITF 42 are deemed negligible.

(For assets retirement obligations)

Prior fiscal year (As of March 31, 2022)

This information is not provided due to its low materiality.

Current fiscal year (As of March 31, 2023)

This information is not provided due to its low materiality.

(For investment and rental property)

The Company and some of its subsidiaries have rental property in Japan (Tokyo, Kanagawa, Osaka and others) and overseas, which is mainly used for vehicle and parts dealers.
For the fiscal year ended March 31, 2022, net income from rental property amounted to ¥5,408 million and net gain on sales of rental property amounted to ¥1,833 million. For the fiscal year ended March 31, 2023, net income from rental property amounted to ¥4,767 million and net loss on sales of rental property amounted to ¥1,087 million.

The carrying value, increase/decrease thereof and fair value of rental property are as follows.

(Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Carrying value		
Balance at the beginning of the year	111,992	109,650
Increase/Decrease during the year	(2,342)	(4,410)
Balance at the end of the year	109,650	105,240
Fair value at the end of the year	117,322	116,462

Notes: 1. The carrying value shown here is calculated by deducting the relevant accumulated depreciation and impairment loss from the property's acquisition cost.
2. The fair value was mainly based on real-estate appraisal value which was calculated by external real-estate appraisers.

(Revenue Recognition)

1. Information about breakdown of revenue from contracts with customers

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

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,407,121	38,178	1,445,299
North America	3,131,777	87,632	3,219,409
of which USA	2,602,958	913	2,603,871
Europe	1,055,764	—	1,055,764
Asia	860,008	2,304	862,312
Other overseas countries	946,824	3,633	950,457
Revenue from contracts with customers	7,401,494	131,747	7,533,241
Revenue from the other sources	19,398	871,946	891,344
Sales to third parties	7,420,892	1,003,693	8,424,585

Note: Revenue from the other sources consists mainly of proceeds from interest, etc., based on Accounting Standards Board of Japan (ASBJ) Statement No. 10 "*Accounting Standard for Financial Instruments*" and lease revenue based on ASBJ Statement No. 13 "*Accounting Standard for Lease Transactions*." These include revenue recognized under International Financial Reporting Standards (IFRS) 9 "*Financial Instruments*" and IFRS 16 "*Leases*" as well as standards for financial instruments such as Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 310 "*Receivables*" and ASC 842 "*Leases*" that are adopted by foreign subsidiaries.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments		Total
	Automobile	Sales financing	
Japan	1,612,579	35,136	1,647,715
North America	4,579,533	76,380	4,655,913
of which USA	3,791,470	1,212	3,792,682
Europe	1,308,941	—	1,308,941
Asia	798,190	1,900	800,090
Other overseas countries	1,272,122	4,215	1,276,337
Revenue from contracts with customers	9,571,365	117,631	9,688,996
Revenue from the other sources	20,494	887,205	907,699
Sales to third parties	9,591,859	1,004,836	10,596,695

Note: Revenue from the other sources consists mainly of proceeds from interest, etc., based on Accounting Standards Board of Japan (ASBJ) Statement No. 10 "*Accounting Standard for Financial Instruments*" and lease revenue based on ASBJ Statement No. 13 "*Accounting Standard for Lease Transactions*." These include revenue recognized under International Financial Reporting Standards (IFRS) 9 "*Financial Instruments*" and IFRS 16 "*Leases*" as well as standards for financial instruments such as Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 310 "*Receivables*" and ASC 842 "*Leases*" that are adopted by foreign subsidiaries.

2. Basic information to understand revenue from contracts with customers

For details, please refer to "1. Consolidated Financial Statements 4. Significant accounting policies (5) Reporting of significant revenue and expenses."

3. Information to understand the amount of revenue in the current and subsequent fiscal years

(1) Contract assets and contract liabilities

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

Receivables from contracts with customers (Millions of yen)

	Beginning of the prior fiscal year	Ending of the prior fiscal year
Trade notes	60,944	36,741
Accounts receivable	441,075	363,125
	502,019	399,866

Receivables from contracts with customers are included in "Trade notes and accounts receivable, and contract assets."
In addition, the balances of contract assets are immaterial.

Contract liabilities (Millions of yen)

	Beginning of the prior fiscal year	Ending of the prior fiscal year
Contract liabilities	257,960	287,592

Contract liabilities are included in "Other" in "Current liabilities" and "Long-term liabilities." Contract liabilities mainly include advances for vehicles, paid extended warranties and maintenance services, which are reversed upon revenue recognition.
The amounts of revenue recognized in the prior fiscal year that were included in the contract liability balances at the beginning of the year are ¥100,232 million.
In addition, the amounts of revenue recognized in the prior fiscal year from performance obligations satisfied (or partially satisfied) in previous years are immaterial.

Current fiscal year (From April 1, 2022 to March 31, 2023)

Receivables from contracts with customers (Millions of yen)

	Beginning of the current fiscal year	Ending of the current fiscal year
Trade notes	36,741	61,149
Accounts receivable	363,125	522,339
	399,866	583,488

Receivables from contracts with customers are included in "Trade notes and accounts receivable, and contract assets."
In addition, the balances of contract assets are immaterial.

Contract liabilities (Millions of yen)

	Beginning of the current fiscal year	Ending of the current fiscal year
Contract liabilities	287,592	288,991

Contract liabilities are included in "Other" in "Current liabilities" and "Long-term liabilities." Contract liabilities mainly include advances for vehicles, paid extended warranties and maintenance services, which are reversed upon revenue recognition.
The amounts of revenue recognized in the current fiscal year that were included in the contract liability balances at the beginning of the year are ¥149,437 million.
In addition, the amounts of revenue recognized in the current fiscal year from performance obligations satisfied (or partially satisfied) in previous years are immaterial.

(2) Transaction price allocated to the remaining performance obligations

The remaining performance obligations primarily consist of sales for vehicles and parts, and provision of paid extended warranties and maintenance services. The Group has excluded unsatisfied performance obligations for sales including vehicles and parts related to contracts that have an original expected duration of one year or less from this disclosure. The revenue expected to be recognized for each period is as follows:

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Due within one year	77,799	85,875
Due after one year but within five years	138,445	152,753
Due after five years	9,031	8,526
Total	225,275	247,154

(For business combinations)

Business combination through acquisition

(1) Outline of business combination

1) Name of the acquired company and description of its business

Name of acquired company:	Vehicle Energy Japan Inc. and its two subsidiaries
Business description:	Development, manufacturing and sale of automotive lithium-ion batteries, modules and battery management systems

2) Main reasons for the business combination

The Company, in its long-term vision, Nissan Ambition 2030, aims to create significant value beyond mobility by placing electrification at the core of its business strategy and expanding the possibilities of journeys and society. Vehicle Energy Japan will play a crucial role in the ongoing electrification strategy under Nissan's long-term vision. The investment will contribute to the development of next-generation batteries with a competitive edge in terms of both performance and cost, and allow Nissan to secure a stable battery supplier for the future.

3) Date of business combination

November 30, 2022

4) Legal form of business combination

Acquisition of shares for cash consideration

5) Name of the post-combination company

There is no change in the name.

6) Percentage of voting rights acquired

76.2%

7) Main basis for determining the acquired company

The acquired company was determined as the Company acquired the shares for cash consideration.

(2) Scope of the acquired company's results included in the consolidated financial statements for the current fiscal year

From December 1, 2022 to March 31, 2023

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition:	Cash	¥10,805 million
Acquisition cost:		¥10,805 million

(4) Major component and amount of the acquisition-related expenses

Remuneration and fee for advisory and other services: ¥348 million

(5) Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

1) Amount of goodwill incurred

¥6,831 million

The amount of goodwill was calculated based on the information available as of December 31, 2022, on a tentative basis because the allocation of acquisition cost of Vehicle Energy Japan Inc. had not been completed but was finalized as stated above as of March 31, 2023.

2) Reason for incurrence

The above goodwill is mainly the result of the future excess earning power expected from business development related to automotive batteries.

Vehicle Energy Japan will play a crucial role in the ongoing electrification strategy under Nissan's long-term vision. The investment will contribute to the development of next-generation batteries with a competitive edge in terms of both performance and cost, and allow Nissan to secure a stable battery supplier for the future.

3) Amortization method and amortization period

Equal amortization over 20 years

(6) Breakdown of intangible fixed assets other than goodwill, allocated amount, amortization method and amortization period

1) Intangible fixed assets, allocated amount

Technology-related assets:	¥8,336 million
Customer-related assets:	¥1,771 million

The amount of technology-related assets was calculated based on the information available as of December 31, 2022, on a tentative basis because the allocation of acquisition cost of Vehicle Energy Japan Inc. had not yet been completed but was finalized as stated above as of March 31, 2023.

The amount of customer-related assets was determined as above as of March 31, 2023, after the allocation of acquisition cost was completed.

2) Amortization method and amortization period

Technology-related assets:	Equal amortization over 12 years
Customer-related assets:	Equal amortization over 15 years

The amortization period of technology-related assets was calculated based on the information available as of December 31, 2022, on a tentative basis because the allocation of acquisition cost of Vehicle Energy Japan Inc. had not yet been completed but was finalized as stated above as of March 31, 2023.

The amount of customer-related assets was determined as above as of March 31, 2023, after the allocation of acquisition cost was completed.

(7) Amount of assets acquired and liabilities assumed on the date of business combination and their breakdown

Current assets	¥28,812 million
Fixed assets	¥44,927 million
Total assets	¥73,739 million
Current liabilities	¥51,309 million
Long-term liabilities	¥13,746 million
Total liabilities	¥65,055 million

(8) Estimated amount and calculation method of the effect of the business combination on the consolidated statement of income for the current fiscal year, assuming that the business combination was completed at the beginning of the year

This information is not provided due to its low materiality.

Business divestiture

(1) Outline of the business divestiture

1) Name of the company to which the divested business is transferred

Central Research and Development Automobile Engine Institute ("NAMI")

2) Description of the divested business

Consolidated subsidiary:	Nissan Manufacturing RUS, Limited Liability Company
Business description:	Manufacturing and sale of automobiles and parts in Russia

3) Main reason for the business divestiture

The Company and Nissan Manufacturing RUS, Limited Liability Company ("NMGR") suspended production at its plant in Sankt-Petersburg in March 2022 due to supply chain disruptions. The Company and NMGR have been monitoring the situation closely, but there was no visibility of external environment changing. For this reason, the Company has decided to transfer all shares of NMGR to NAMI and exit from the Russian market.

4) Date of the business divestiture

November 23, 2022

5) Other matters relating to the outline of the transaction including the legal form thereof

The transaction is a share transfer with the consideration received being limited to properties such as cash and cash equivalents. (The transfer value of NMGR shares to NAMI is 1 Euro.)

The terms of the sale would allow the Company the option to buy back the entity and its operations within the next 6 years.

(2) Outline of the accounting treatment applied

1) Amount of gain or loss for transfer

Loss on sales of shares of subsidiaries and affiliates: ¥45,346 million

2) Accounting treatment

The difference between the transfer price of the share transfer and the book value of the subsidiaries transferred on a consolidated basis is recognized as a loss on sales of shares of subsidiaries and affiliates.

(3) Reportable segment that included the divested business

Automobile

(4) Approximate amount of profit and loss related to the divested business reported in the consolidated statements of income for the fiscal year ended March 31, 2023

	Cumulative period
Net sales	¥10,116 million
Operating income	¥446 million

(Segments of an enterprise and related information)

Segment information

1. General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess their performance.

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

2. Calculation method of net sales, profits or losses, assets and other items by reportable segments

In principle, the accounting method for the reportable segments is the same as basis of preparation for the consolidated financial statements.

The segment profits are based on operating income. Inter-segment sales are based on the price in arms-lengths transaction. The segment assets are based on total assets.

3. Net sales, profits or losses, assets and other items by reportable segment

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

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2022
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	7,420,892	1,003,693	8,424,585	—	8,424,585
Inter-segment sales or transfers	54,756	28,036	82,792	(82,792)	—
Total	7,475,648	1,031,729	8,507,377	(82,792)	8,424,585
Segment profits (losses)	(155,059)	374,824	219,765	27,542	247,307
Segment assets	8,673,649	8,810,870	17,484,519	(1,113,038)	16,371,481
Other items					
Depreciation and amortization expense	294,065	394,938	689,003	—	689,003
Amortization of goodwill	1,022	—	1,022	—	1,022
Interest expense (Cost of sales)	—	127,755	127,755	(9,510)	118,245
Investment amounts to equity method companies	975,919	11,423	987,342	—	987,342
Increase amounts of fixed assets and intangible fixed assets	361,613	800,448	1,162,061	—	1,162,061

Note 1: Consolidated financial statements by business segment

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), other 10 companies and the sales finance operations of Nissan Canada, Inc. (Canada).
- The financial data on Automobile & Eliminations represents the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Prior fiscal year (As of March 31, 2022)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,342,374	89,673	1,432,047
Trade notes and accounts receivable, and contract assets	398,585	3,904	402,489
Sales finance receivables	(109,886)	6,384,636	6,274,750
Inventories	1,350,653	13,828	1,364,481
Other current assets	751,902	90,340	842,242
Total current assets	3,733,628	6,582,381	10,316,009
II. Fixed assets			
Property, plant and equipment, net	2,300,411	2,065,542	4,365,953
Investment securities	1,051,170	3,716	1,054,886
Other fixed assets	469,453	158,783	628,236
Total fixed assets	3,821,034	2,228,041	6,049,075
III. Deferred assets			
Bond issuance costs	5,949	448	6,397
Total deferred assets	5,949	448	6,397
Total assets	7,560,611	8,810,870	16,371,481
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,357,576	38,066	1,395,642
Short-term borrowings	(512,052)	3,471,251	2,959,199
Lease obligations	47,591	804	48,395
Other current liabilities	1,333,223	406,749	1,739,972
Total current liabilities	2,226,338	3,916,870	6,143,208
II. Long-term liabilities			
Bonds	1,312,446	950,890	2,263,336
Long-term borrowings	39,539	1,735,682	1,775,221
Lease obligations	85,433	740	86,173
Other long-term liabilities	545,988	527,971	1,073,959
Total long-term liabilities	1,983,406	3,215,283	5,198,689
Total liabilities	4,209,744	7,132,153	11,341,897
Net assets			
I. Shareholders' equity			
Common stock	381,926	223,888	605,814
Capital surplus	637,081	179,391	816,472
Retained earnings	2,831,929	1,011,550	3,843,479
Treasury stock	(138,061)	—	(138,061)
Total shareholders' equity	3,712,875	1,414,829	5,127,704
II. Accumulated other comprehensive income			
Translation adjustments	(585,339)	72,569	(512,770)
Others	(44,190)	9,857	(34,333)
Total accumulated other comprehensive income	(629,529)	82,426	(547,103)
III. Non-controlling interests	267,521	181,462	448,983
Total net assets	3,350,867	1,678,717	5,029,584
Total liabilities and net assets	7,560,611	8,810,870	16,371,481

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.

2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥894,524 million.

(2) Summarized consolidated statement of income by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2021 to March 31, 2022)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	7,392,856	1,031,729	8,424,585
Cost of sales	6,416,195	654,336	7,070,531
Gross profit	976,661	377,393	1,354,054
Operating income as a percentage of net sales	(1.7)%	36.3%	2.9%
Operating income (loss)	(127,517)	374,824	247,307
Financial income / expenses, net	(35,729)	(263)	(35,992)
Other non-operating income and expenses, net	85,307	9,495	94,802
Ordinary income (loss)	(77,939)	384,056	306,117
Income (loss) before income taxes	(9,728)	393,938	384,210
Net income (loss) attributable to owners of parent	(46,917)	262,450	215,533

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Prior fiscal year (From April 1, 2021 to March 31, 2022)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income (loss) before income taxes	(9,728)	393,938	384,210
Depreciation and amortization	294,065	394,938	689,003
Decrease (increase) in sales finance receivables	1,434	474,904	476,338
Others	(467,954)	(234,410)	(702,364)
Net cash provided by (used in) operating activities	(182,183)	1,029,370	847,187
II. Cash flows from investing activities			
Proceeds from sales of investment securities	169,815	—	169,815
Purchase of fixed assets	(312,293)	(2,909)	(315,202)
Proceeds from sales of fixed assets	40,226	14,413	54,639
Purchase of leased vehicles	—	(808,684)	(808,684)
Proceeds from sales of leased vehicles	—	734,703	734,703
Others	(10,308)	28,202	17,894
Net cash provided by (used in) investing activities	(112,560)	(34,275)	(146,835)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(134,464)	255,087	120,623
Net change in long-term borrowings and redemption of bonds	(198,422)	(1,436,556)	(1,634,978)
Proceeds from issuance of bonds	(13)	478,438	478,425
Others	292,830	(349,545)	(56,715)
Net cash provided by (used in) financing activities	(40,069)	(1,052,576)	(1,092,645)
IV. Effect of exchange rate changes on cash and cash equivalents	133,742	11,291	145,033
V. Increase (decrease) in cash and cash equivalents	(201,070)	(46,190)	(247,260)
VI. Cash and cash equivalents at the beginning of the period	1,896,134	137,892	2,034,026
VII. Increase due to inclusion in consolidation	5,926	—	5,926
VIII. Cash and cash equivalents at the end of the period	1,700,990	91,702	1,792,692

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥41,181 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥35,539 million eliminated for net increase in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

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

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales								
(1) Sales to third parties	1,785,246	4,021,733	955,548	808,271	853,787	8,424,585	—	8,424,585
(2) Inter-segment sales	1,336,810	323,466	151,723	471,598	12,763	2,296,360	(2,296,360)	—
Total	3,122,056	4,345,199	1,107,271	1,279,869	866,550	10,720,945	(2,296,360)	8,424,585
Operating income (loss)	(229,766)	330,695	(28,395)	94,424	55,681	222,639	24,668	247,307

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	The year ended March 31, 2023
	Automobile	Sales financing	Total		
Net sales					
Sales to third parties	9,591,859	1,004,836	10,596,695	—	10,596,695
Inter-segment sales or transfers	94,983	18,989	113,972	(113,972)	—
Total	9,686,842	1,023,825	10,710,667	(113,972)	10,596,695
Segment profits	42,952	311,908	354,860	22,249	377,109
Segment assets	10,258,231	9,019,801	19,278,032	(1,679,451)	17,598,581
Other items					
Depreciation and amortization expense	349,831	343,909	693,740	—	693,740
Amortization of goodwill	1,320	—	1,320	—	1,320
Interest expense (Cost of sales)	—	172,394	172,394	(29,157)	143,237
Investment amounts to equity method companies	1,129,127	5,288	1,134,415	—	1,134,415
Increase amounts of fixed assets and intangible fixed assets	370,839	813,881	1,184,720	—	1,184,720

Note 1: Consolidated financial statements by business segment

- The Sales financing segment for the summarized consolidated balance sheets, summarized consolidated statement of income and summarized consolidated statement of cash flows consists of NISSAN FINANCIAL SERVICES CO., LTD. (Japan), Nissan Motor Acceptance Company LLC (U.S.A.), NR FINANCE MEXICO, S.A. de C.V. (Mexico), Dongfeng Nissan Auto Finance Co., Ltd. (China), other 13 companies and the sales finance operations of Nissan Canada, Inc. (Canada).
- The financial data on Automobile & Eliminations represents the differences between the consolidated figures and those for the Sales financing segment.

(1) Summarized consolidated balance sheets by business segment

(Millions of yen)

Accounts	Current fiscal year (As of March 31, 2023)		
	Automobile & Eliminations	Sales financing	Consolidated total
Assets			
I. Current assets			
Cash on hand and in banks	1,684,331	114,144	1,798,475
Trade notes and accounts receivable, and contract assets	581,587	4,052	585,639
Sales finance receivables	(115,079)	6,595,684	6,480,605
Inventories	1,681,040	22,136	1,703,176
Other current assets	651,041	149,275	800,316
Total current assets	4,482,920	6,885,291	11,368,211
II. Fixed assets			
Property, plant and equipment, net	2,367,772	2,001,509	4,369,281
Investment securities	1,171,291	5,541	1,176,832
Other fixed assets	551,368	127,140	678,508
Total fixed assets	4,090,431	2,134,190	6,224,621
III. Deferred assets			
Bond issuance costs	5,429	320	5,749
Total deferred assets	5,429	320	5,749
Total assets	8,578,780	9,019,801	17,598,581
Liabilities			
I. Current liabilities			
Trade notes and accounts payable	1,865,525	46,626	1,912,151
Short-term borrowings	(987,821)	3,819,422	2,831,601
Lease obligations	49,788	273	50,061
Other current liabilities	1,581,404	394,109	1,975,513
Total current liabilities	2,508,896	4,260,430	6,769,326
II. Long-term liabilities			
Bonds	1,317,525	740,571	2,058,096
Long-term borrowings	223,146	1,790,105	2,013,251
Lease obligations	84,345	1,709	86,054
Other long-term liabilities	502,027	554,687	1,056,714
Total long-term liabilities	2,127,043	3,087,072	5,214,115
Total liabilities	4,635,939	7,347,502	11,983,441
Net assets			
I. Shareholders' equity			
Common stock	380,208	225,606	605,814
Capital surplus	631,818	179,391	811,209
Retained earnings	3,204,752	843,118	4,047,870
Treasury stock	(136,172)	—	(136,172)
Total shareholders' equity	4,080,606	1,248,115	5,328,721
II. Accumulated other comprehensive income			
Translation adjustments	(313,129)	201,435	(111,694)
Others	(94,132)	11,754	(82,378)
Total accumulated other comprehensive income	(407,261)	213,189	(194,072)
III. Share subscription rights	273	—	273
IV. Non-controlling interests	269,223	210,995	480,218
Total net assets	3,942,841	1,672,299	5,615,140
Total liabilities and net assets	8,578,780	9,019,801	17,598,581

Notes: 1. The sales finance receivables of Automobile & Eliminations represent the amount eliminated for intercompany transactions related to wholesale finance made by the Sales financing segment.
2. The borrowings of Automobile & Eliminations represent the amount after deducting internal loans receivable from the Sales financing segment amounting to ¥1,456,947 million.

(2) Summarized consolidated statement of income by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2022 to March 31, 2023)		
	Automobile & Eliminations	Sales financing	Consolidated total
Net sales	9,572,870	1,023,825	10,596,695
Cost of sales	8,251,043	631,803	8,882,846
Gross profit	1,321,827	392,022	1,713,849
Operating income as a percentage of net sales	0.7%	30.5%	3.6%
Operating income	65,201	311,908	377,109
Financial income / expenses, net	(23,771)	85	(23,686)
Other non-operating income and expenses, net	177,027	(15,007)	162,020
Ordinary income	218,457	296,986	515,443
Income before income taxes	95,676	306,760	402,436
Net income attributable to owners of parent	27,241	194,659	221,900

(3) Summarized consolidated statements of cash flows by business segment

(Millions of yen)

Accounts	Current fiscal year (From April 1, 2022 to March 31, 2023)		
	Automobile & Eliminations	Sales financing	Consolidated total
I. Cash flows from operating activities			
Income before income taxes	95,676	306,760	402,436
Depreciation and amortization	349,831	343,909	693,740
Decrease (increase) in sales finance receivables	6,156	215,319	221,475
Others	40,432	(137,032)	(96,600)
Net cash provided by (used in) operating activities	492,095	728,956	1,221,051
II. Cash flows from investing activities			
Purchase of investment securities	(1,409)	(440)	(1,849)
Purchase of fixed assets	(318,690)	(4,035)	(322,725)
Proceeds from sales of fixed assets	19,037	14,931	33,968
Purchase of leased vehicles	—	(810,777)	(810,777)
Proceeds from sales of leased vehicles	—	679,146	679,146
Others	(4,285)	(20,519)	(24,804)
Net cash provided by (used in) investing activities	(305,347)	(141,694)	(447,041)
III. Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(693,232)	543,819	(149,413)
Net change in long-term borrowings and redemption of bonds	116,460	(749,593)	(633,133)
Proceeds from issuance of bonds	199,168	—	199,168
Others	273,405	(360,634)	(87,229)
Net cash provided by (used in) financing activities	(104,199)	(566,408)	(670,607)
IV. Effect of exchange rate changes on cash and cash equivalents	110,788	1,647	112,435
V. Increase (decrease) in cash and cash equivalents	193,337	22,501	215,838
VI. Cash and cash equivalents at the beginning of the period	1,700,990	91,702	1,792,692
VII. Increase due to inclusion in consolidation	5,857	—	5,857
VIII. Cash and cash equivalents at the end of the period	1,900,184	114,203	2,014,387

Notes: 1. The net increase (decrease) in short-term borrowings of Automobile & Eliminations includes the amount of ¥552,063 million eliminated for net increase in internal loans receivable from the Sales financing segment.
2. The net change in long-term borrowings and redemption of bonds of Automobile & Eliminations includes the amount of ¥25,019 million eliminated for net decrease in internal loans receivable from the Sales financing segment.

Note 2: Net sales and profits or losses by region

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Japan	North America	Europe	Asia	Other overseas countries	Total	Eliminations	Consolidated
Net sales (1) Sales to third parties	1,888,240	5,547,730	1,204,658	804,119	1,151,948	10,596,695	—	10,596,695
(2) Inter-segment sales	2,050,014	401,358	192,044	634,771	13,992	3,292,179	(3,292,179)	—
Total	3,938,254	5,949,088	1,396,702	1,438,890	1,165,940	13,888,874	(3,292,179)	10,596,695
Operating income (loss)	(150,269)	356,024	(4,601)	85,937	84,457	371,548	5,561	377,109

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries: Oceania, Middle East, South Africa, and Central & South America excluding Mexico

Related information

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

1. Information by product and service

This information is not provided here because it is the same as the information provided under "Segment information."

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,528,568	3,897,556	3,129,321	1,058,842	962,498	977,121	8,424,585

Notes: 1. Regions represent customers' location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,617,677	2,395,520	1,854,017	124,541	171,329	56,886	4,365,953

Notes: 1. Regions represent the location of the Company and its group companies.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Current fiscal year (From April 1, 2022 to March 31, 2023)

1. Information by product and service

This information is not provided here because it is the same as the information provided under "Segment information."

2. Information by geographical area

(1) Net sales

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,729,099	5,343,003	4,305,867	1,311,499	904,270	1,308,824	10,596,695

Notes: 1. Regions represent customers' location.
2. Areas are segmented based on their geographical proximity and their mutual operational relationship.
3. Major countries and areas which belong to segments other than Japan are as follows:
(1) North America : The United States of America, Canada and Mexico
(2) Europe : France, The United Kingdom, Spain, Russia and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, Central & South America excluding Mexico, etc.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America		Europe	Asia	Other overseas countries	Total
		U.S.A.				
1,648,199	2,384,088	1,826,668	131,537	146,905	58,552	4,369,281

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 and other European countries
(3) Asia : China, Thailand, India and other Asian countries
(4) Other overseas countries : Oceania, Middle East, South Africa, and Central & South America excluding Mexico

3. Information by major customer

This information is not provided because there were no customers that accounted for 10% or more of the net sales to third parties recorded in the consolidated statements of income.

Information about the impairment loss on fixed assets by reportable segment

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

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	16,973	—	16,973	—	16,973

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Impairment loss	8,615	—	8,615	—	8,615

Information about the amortization of goodwill and unamortized balance by reportable segment

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

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,022	—	1,022	—	1,022
Balance at the end of the year	2,565	—	2,565	—	2,565

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments			Elimination of inter-segment transactions	Total
	Automobile	Sales financing	Total		
Amortization of goodwill	1,320	—	1,320	—	1,320
Balance at the end of the year	8,260	—	8,260	—	8,260

Information about the gain recognized on negative goodwill by reportable segment

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

Not applicable.

Current fiscal year (From April 1, 2022 to March 31, 2023)

This information is not provided due to its low materiality.

(Information of related parties)

1. Transactions with related parties

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

(Millions of yen)

Type	Name	Business	Percentage of voting right held by Directors and individual major shareholders (%)	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Director	Makoto Uchida	Representative Executive Officer, President and Chief Executive Officer	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	48	—	—
Director	Ashwani Gupta	Representative Executive Officer, Chief Operating Officer	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	36	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	19	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	15	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Tsuyoshi Yamaguchi	Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	10	—	—

(*1) The disposition of the treasury stock is performed as remuneration in kind under the Restricted Stock Unit system.
The stock price for the disposition of the treasury stock is determined based on the ending stock price as of July 27, 2021 (one business day before the resolution made by the Board Meeting for the disposition of the treasury stock) on the Tokyo Stock Exchange.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

Type	Name	Business	Percentage of voting right held by Directors and individual major shareholders (%)	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Director	Makoto Uchida	Representative Executive Officer, President and Chief Executive Officer	Directly 0.005%	—	Disposition of Treasury Stock as remuneration in kind (*1)	79	—	—
Director	Ashwani Gupta	Representative Executive Officer, Chief Operating Officer	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	60	—	—
Officer	Stephen Ma	Executive Officer, Chief Financial Officer	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	31	—	—
Director	Hideyuki Sakamoto	Executive Officer, Executive Vice President	Directly 0.002%	—	Disposition of Treasury Stock as remuneration in kind (*1)	23	—	—
Officer	Kunio Nakaguro	Executive Officer, Executive Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	20	—	—
Officer	Asako Hoshino	Executive Officer, Executive Vice President	Directly 0.003%	—	Disposition of Treasury Stock as remuneration in kind (*1)	20	—	—
Officer equivalent	Jeremie Papin	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Atul Pasricha	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	14	—	—
Officer equivalent	Rakesh Kochhar	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Guillaume Cartier	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—

(Millions of yen)

Type	Name	Business	Percentage of voting right held by Directors and individual major shareholders (%)	Relation	Nature of transactions	Amount of the transactions	Account	Balance at the end of fiscal year
Officer equivalent	Alfonso Albaisa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Leon Dorssers	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	13	—	—
Officer equivalent	Ivan Espinosa	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	12	—	—
Officer equivalent	Takashi Hata	Senior Vice President	Directly 0.001%	—	Disposition of Treasury Stock as remuneration in kind (*1)	11	—	—
Officer equivalent	Peyman Kargar	Senior Vice President	Directly 0.000%	—	Disposition of Treasury Stock as remuneration in kind (*1)	10	—	—

(*1) The disposition of the treasury stock is performed as remuneration in kind under the Restricted Stock Unit system.
The stock price for the disposition of the treasury stock is determined based on the ending stock price as of June 27, 2022 (one business day before the resolution made by the Board Meeting for the disposition of the treasury stock) on the Tokyo Stock Exchange.

2. Notes on the parent company and significant affiliates

Condensed financial information of significant affiliates:

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

Combined and condensed financial information (from January 1, 2021 to December 31, 2021) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥11,385,538 million
Total fixed assets	¥6,241,412 million
Total current liabilities	¥10,238,434 million
Total long-term liabilities	¥2,602,541 million
Total net assets	¥4,785,975 million
Net sales	¥8,859,791 million
Income before income taxes	¥442,948 million
Net income	¥275,432 million

Current fiscal year (From April 1, 2022 to March 31, 2023)

Combined and condensed financial information (from January 1, 2022 to December 31, 2022) of Renault and Dongfeng Motor Co., Ltd., which are defined as significant affiliates for the current fiscal year, is as follows.

Total current assets	¥12,917,966 million
Total fixed assets	¥5,947,796 million
Total current liabilities	¥11,256,602 million
Total long-term liabilities	¥2,383,009 million
Total net assets	¥5,226,151 million
Net sales	¥9,144,214 million
Income before income taxes	¥234,839 million
Net income	¥115,149 million

(Amounts per share)

(Yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net assets per share	1,170.17	1,310.74
Basic earnings per share	55.07	56.67
Diluted earnings per share	55.07	56.67

Notes: 1. The basis for calculation of the basic earnings per share and the diluted earnings per share is as follows.

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Basic earnings per share: Net income attributable to owners of parent (Millions of yen)	215,533	221,900
Net income attributable to owners of parent relating to common stock (Millions of yen)	215,533	221,900
Average number of shares of common stock during the fiscal year (Thousands of shares)	3,914,068	3,915,382
Diluted earnings per share: Increase in shares of common stock (Thousands of shares)	—	—
(Exercise of share subscription rights (Thousands of shares))	—	—
Securities excluded from the computation of diluted earnings per share because they do not have dilutive effects	—	—

2. The basis for calculation of the net assets per share is as follows.

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Total net assets (Millions of yen)	5,029,584	5,615,140
Amounts deducted from total net assets (Millions of yen)	448,983	480,491
(Share subscription rights (Millions of yen))	—	273
(Non-controlling interests (Millions of yen))	448,983	480,218
Net assets attributable to shares of common stock at year end (Millions of yen)	4,580,601	5,134,649
The year-end number of shares of common stock used for the calculation of net assets per share (Thousands of shares)	3,914,463	3,917,356

(Significant subsequent events)

Not applicable.

⑤ Consolidated supplemental schedules

Schedule of bonds payable

Company	Description	Date of Issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
*1	58th unsecured bonds (Note 2)	April 25, 2014	20,000	(20,000) 20,000	0.78	None	March 19, 2024
*1	60th unsecured bonds	April 15, 2016	25,000	—	0.22	None	March 20, 2023
*1	61st unsecured bonds	April 15, 2016	20,000	20,000	0.33	None	March 19, 2026
*1	64th unsecured bonds (Note 2)	July 22, 2020	30,000	(30,000) 30,000	1.40	None	June 20, 2023
*1	65th unsecured bonds	July 22, 2020	11,000	11,000	1.90	None	June 20, 2025
*1	EUR denominated bonds (Note 2)	September 17, 2020	273,400 [EUR 2,000,000 thousand]	(72,860) [EUR 500,000 thousand] 291,440 [EUR 2,000,000 thousand]	1.94 – 3.20	None	2023 - 2028
*1	USD denominated bonds (Note 2)	September 17, 2020	958,047 [$ 8,000,000 thousand]	(164,740) [$ 1,500,000 thousand] 1,032,685 [$ 8,000,000 thousand]	3.04 – 4.81	None	2023 - 2030
*1	66th unsecured bonds	February 6, 2023	—	140,000	1.02	None	January 20, 2026
*1	67th unsecured bonds	January 27, 2023	—	50,000	1.02	None	January 20, 2026
*1	68th unsecured bonds	January 27, 2023	—	10,000	1.45	None	January 20, 2028
*2	Bonds issued by subsidiaries (Note 2)	2018 - 2021	220,000	(25,000) 175,000	0.17 – 0.58	None	2023 - 2026
*3	Bonds issued by subsidiaries (Note 2)	2018 - 2021	874,900 [$ 7,148,466 thousand]	(146,879) [$1,099,971 thousand] 612,095 [$4,583,954 thousand]	1.05 – 5.65	None	2023 - 2028
*3	Bonds issued by subsidiaries	November 15, 2019	15,400 [MXN 2,500,000 thousand]	—	4.83 – 6.79	None	November 11, 2022
*3	Bonds issued by subsidiaries (Note 2)	2021	97,900 [CAD 1,000,000 thousand]	(49,375) [CAD 500,000 thousand] 98,750 [CAD 1,000,000 thousand]	1.63 – 2.10	None	2024 - 2025
*3	Bonds issued by subsidiaries (Note 2)	2020 - 2021	189,149 [CNY 10,490,802 thousand]	(47,513) [CNY 2,499,378 thousand] 123,493 [CNY 6,496,223 thousand]	3.09 – 3.72	None	2023 - 2024
Total (Note 2)		—	2,734,796	(556,367) 2,614,463	—		—

Notes: 1. *1 The Company *2 Domestic subsidiaries *3 Foreign subsidiaries

2. The amounts in parentheses presented under "Balance at the end of current fiscal year" represent the amounts scheduled to be redeemed within one year.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2023 is summarized as follows:

(Millions of yen)

Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
556,367	224,747	706,086	213,508	423,918

Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of current fiscal year	Balance at the end of current fiscal year	Average interest rate (%)	Maturity
Short-term borrowings	541,645	260,286	5.39	—
Nonrecourse short-term borrowings	508,391	841,692	5.15	—
Current portion of long-term borrowings	627,168	434,338	3.74	—
Current portion of nonrecourse long-term borrowings	624,830	650,918	2.93	—
Commercial papers	185,705	88,000	0.08	—
Current portion of lease obligations	48,395	50,061	1.39	—
Long-term borrowings (excluding current portion)	1,232,788	1,532,896	3.61	April 2024 to August 2039
Nonrecourse long-term borrowings (excluding current portion)	542,433	480,355	3.77	April 2024 to February 2029
Lease obligations (excluding current portion)	86,173	86,054	2.87	April 2024 to August 2057
Total	4,397,528	4,424,600	—	—

Notes: 1. The average interest rate represents the weighted-average rate applicable to the year-end balance.
2. IFRS 16, "*Leases*" (January 13, 2016) and ASU 2016-02 "*Leases*" (February 25, 2016) have been adopted at foreign subsidiaries and liabilities corresponding to the right-of-use assets which was recognized in line with this adaption were included in Current portion of lease obligations and Lease obligations (excluding current portion) balance.
3. The following table shows the aggregate annual maturities of long-term borrowings (excluding the current portion), nonrecourse long-term borrowings (excluding the current portion) and lease obligations (excluding the current portion) for 5 years subsequent to March 31, 2023.

(Millions of yen)

	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	379,563	666,701	276,164	142,046
Nonrecourse long-term borrowings	343,642	99,628	37,034	39
Lease obligations	26,387	16,549	14,096	9,726

Schedule of asset retirement obligations

The schedule of asset retirement obligations is not provided because the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2023 were one hundredth (1%) or less of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2023.

(2) Other

Quarterly financial information for the fiscal year ended March 31, 2023

(Millions of yen)

Cumulative period		1st Quarter (Three months ended June 30, 2022)	2nd Quarter (Six months ended September 30, 2022)	3rd Quarter (Nine months ended December 31, 2022)	4th Quarter (Fiscal year ended March 31, 2023)
Net sales	(Millions of yen)	2,137,311	4,662,250	7,499,691	10,596,695
Income before income taxes	(Millions of yen)	105,610	173,302	268,024	402,436
Net income attributable to owners of parent	(Millions of yen)	47,112	64,475	115,040	221,900
Basic earnings per share	(Yen)	12.04	16.47	29.38	56.67

Each quarter		1st Quarter (From April 1, 2022 to June 30, 2022)	2nd Quarter (From July 1, 2022 to September 30, 2022)	3rd Quarter (From October 1, 2022 to December 31, 2022)	4th Quarter (From January 1, 2023 to March 31, 2023)
Basic earnings per share	(Yen)	12.04	4.44	12.91	27.29

Note: Tentative accounting treatment was applied for the third quarter for the acquisition of Vehicle Energy Japan Inc. and its two subsidiaries on November 30, 2022. The accounting treatment was finalized and the related figures for the fourth quarter reflect the finalization.

Significant lawsuits, etc. relating to operations and other matters

・Lawsuits related to Takata's airbag inflators

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

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

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

・Litigation for damages related to vehicle distribution agreement dispute

On July 4, 2019, Al Dahana filed a lawsuit against the Company, its consolidated subsidiary, Nissan Middle East FZE and its equity-method affiliate, Nissan Gulf FZCO, in the Dubai Court of First Instance in relation to a vehicle distribution agreement dispute. On September 29, 2021, the Dubai Court of First Instance ruled that the Company and Nissan Middle East FZE must pay AED 1,159,777,806.50 plus interest. The Company, Nissan Middle East FZE, and Al Dahana had appealed against this court judgment.

On June 8, 2022, the Dubai Court of Appeal reversed the judgment of the Dubai Court of First Instance. The Company, Nissan Middle East FZE, and Al Dahana filed further appeals to the Dubai Court of Cassation, but on September 14, 2022, the Dubai Court of Cassation overturned the Dubai Court of Appeal's June judgment and remitted the case back to the Dubai Court of Appeal for a new judgement upon further review. On November 29, 2022, the Dubai Court of Appeal cancelled the judgment of the Dubai Court of First Instance. On January 25, 2023, Al Dahana filed an appeal to the Court of Cassation. On January 27, 2023, the Company and Nissan Middle East FZE also filed an appeal to the Court of Cassation. The Company maintains that it has fully complied with its contractual obligations and will continue to challenge the claims brought by Al Dahana.

・Pending lawsuit against Nissan Motor Acceptance Company LLC

There was an ongoing lawsuit with Superior Automotive Group, LLC, et al., in relation to suspending credit lines. There was a possibility that the consolidated financial results may be affected by the progress of legal proceeding.

Thereafter, during the period up to the filing date of this Securities Report, a settlement was reached on this matter.

2. Non-Consolidated Financial Statements

(1) Non-consolidated financial statements

① Non-consolidated balance sheet

(Millions of yen)

		Prior fiscal year (As of March 31, 2022)		Current fiscal year (As of March 31, 2023)
Assets				
Current assets				
Cash on hand and in banks		247,468		459,748
Trade accounts receivable	※1	229,096	※1	308,806
Finished goods		72,382		135,047
Work in process		32,572		37,525
Raw materials and supplies		222,577		277,243
Prepaid expenses		29,833		29,764
Short-term loans receivable from subsidiaries and affiliates		388,128		943,605
Accounts receivable - other	※1	152,721	※1	175,476
Other	※1	60,087	※1	85,998
Allowance for doubtful accounts		(56,364)		(28,340)
Total current assets		1,378,504		2,424,874
Fixed assets				
Property, plant and equipment				
Buildings		219,607		220,226
Structures		27,600		27,543
Machinery and equipment		209,899		223,974
Vehicles		7,218		7,619
Tools, furniture and fixtures		131,421		138,959
Land		125,594		125,594
Construction in progress		36,133		18,748
Total property, plant and equipment		757,474		762,665
Intangible fixed assets		74,514		80,474
Investments and other assets				
Investment securities		29,728		30,212
Investments in subsidiaries and affiliates		2,145,946		2,158,171
Long-term loans receivable from subsidiaries and affiliates		494,142		40,000
Deferred tax assets		134,012		158,391
Other		54,648		37,056
Allowance for doubtful accounts		(261)		(419)
Total investments and other assets		2,858,216		2,423,413
Total fixed assets		3,690,205		3,266,553
Deferred assets				
Bond issuance costs		5,948		5,428
Total deferred assets		5,948		5,428
Total assets		5,074,658		5,696,856

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)		Current fiscal year (As of March 31, 2023)	
Liabilities				
Current liabilities				
Electronically recorded obligations - operating	※1	237,548	※1	342,401
Trade accounts payable	※1	411,590	※1	605,594
Short-term borrowings	※1	355,528	※1	78,704
Current portion of long-term borrowings		95,000		73,858
Commercial papers		86,000		—
Current portion of bonds		25,000		287,600
Lease obligations	※1	31,233	※1	33,681
Accounts payable-other	※1	35,137	※1	47,888
Accrued expenses	※1	317,740	※1	374,597
Income taxes payable		2,757		8,142
Contract liabilities		6,778		5,060
Advances received		23,285		7,034
Deposits received	※1	62,569	※1	57,958
Accrued warranty costs		19,768		22,707
Other	※1	6,615	※1	43,129
Total current liabilities		1,716,554		1,988,359
Long-term liabilities				
Bonds		1,312,447		1,317,525
Long-term borrowings		88,000		236,000
Long-term borrowings from subsidiaries and affiliates		20,505		—
Lease obligations	※1	36,000	※1	30,464
Accrued warranty costs		34,396		45,577
Accrued retirement benefits		58,312		42,963
Provision for loss on business of subsidiaries and affiliates		555		3,055
Other	※1	10,526	※1	14,788
Total long-term liabilities		1,560,743		1,690,374
Total liabilities		3,277,298		3,678,734

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Net assets		
Shareholders' equity		
Common stock	605,813	605,813
Capital surplus		
Legal capital surplus	804,470	804,470
Total capital surplus	804,470	804,470
Retained earnings		
Legal reserve	53,838	53,838
Other retained earnings		
Reserve for reduction of replacement cost of specified properties	53,615	53,367
Reserve for special depreciation	5	3
Unappropriated retained earnings	300,676	547,265
Total retained earnings	408,136	654,475
Treasury stock	(27,539)	(25,373)
Total shareholders' equity	1,790,880	2,039,385
Valuation, translation adjustments and others		
Unrealized holding gain and loss on securities	2,989	3,148
Unrealized gain and loss from hedging instruments	3,490	(24,411)
Total valuation, translation adjustments and others	6,479	(21,263)
Total net assets	1,797,360	2,018,121
Total liabilities and net assets	5,074,658	5,696,856

② Non-consolidated statement of income

(Millions of yen)

		Prior fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)
Net sales	※1	2,409,348	※1	3,240,618
Cost of sales	※1	2,393,792	※1	3,121,587
Gross profit		15,555		119,031
Selling, general and administrative expenses	※1,※2	360,791	※1,※2	357,251
Operating loss		(345,235)		(238,220)
Non-operating income				
Interest income	※1	20,274	※1	23,873
Dividends income	※1	162,012	※1	596,173
Guarantee commission received	※1	16,421	※1	10,712
Derivative gain		33,410		50,817
Reversal of allowance for doubtful accounts		4,235		11,871
Other	※1	2,015	※1	2,405
Total non-operating income		238,369		695,853
Non-operating expenses				
Interest expense	※1	51,258	※1	55,848
Exchange loss		36,507		65,243
Provision for doubtful accounts		1,795		3,073
Other	※1	12,020	※1	9,130
Total non-operating expenses		101,580		133,296
Ordinary income (loss)		(208,445)		324,336
Special gains				
Gain on sales of fixed assets		17,460		129
Gain on sales of shares of subsidiaries and affiliates		501		263
Gain on sales of investment securities		78,083		24
Other		10,183		25
Total special gains		106,228		442
Special losses				
Loss on sales of fixed assets		452		457
Loss on disposal of fixed assets		8,809		9,719
Impairment loss		1,027		—
Loss on sales of shares of subsidiaries and affiliates		1,952		—
Loss on valuation of shares of subsidiaries and affiliates		28,488		8,293
Provision of allowance for doubtful accounts of subsidiaries and affiliates		22,318		—
Provision for loss on business of subsidiaries and affiliates		—		2,560
Compensation for suppliers and others		6,530		21,151
Loss on valuation of inventories		303		5,859
Other		—		392
Total special losses		69,882		48,433
Income (loss) before income taxes		(172,099)		276,345
Income taxes-current		4,632		20,181
Income taxes-deferred		(62,344)		(12,132)
Total income taxes		(57,711)		8,048
Net Income (loss)		(114,387)		268,296

③ Non-consolidated statement of changes in net assets

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

(Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	184	804,654	53,838	53,815	7	415,207	522,869
Changes of items during the period									
Cash dividends paid									—
Provision of reserve for reduction of replacement cost of specified properties									—
Reversal of reserve for reduction of replacement cost of specified properties						(199)		199	—
Provision of reserve for special depreciation									—
Reversal of reserve for special depreciation							(3)	3	—
Net loss								(114,387)	(114,387)
Purchase of treasury stock									
Disposal of treasury stock			(184)	(184)				(344)	(344)
Net changes of items other than those in shareholders' equity									
Total changes of items during the period			(184)	(184)		(199)	(2)	(114,530)	(114,732)
Balance at the end of current period	605,813	804,470	—	804,470	53,838	53,615	5	300,676	408,136

	Shareholders' equity		Valuation, translation adjustments and others			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others	
Balance at the beginning of current period	(28,756)	1,904,581	62,771	(30)	62,741	1,967,322
Changes of items during the period						
Cash dividends paid						—
Provision of reserve for reduction of replacement cost of specified properties						—
Reversal of reserve for reduction of replacement cost of specified properties						—
Provision of reserve for special depreciation						—
Reversal of reserve for special depreciation						—
Net loss		(114,387)				(114,387)
Purchase of treasury stock	(1)	(1)				(1)
Disposal of treasury stock	1,217	688				688
Net changes of items other than those in shareholders' equity			(59,782)	3,520	(56,261)	(56,261)
Total changes of items during the period	1,216	(113,701)	(59,782)	3,520	(56,261)	(169,962)
Balance at the end of current period	(27,539)	1,790,880	2,989	3,490	6,479	1,797,360

Current fiscal year (From April 1, 2022 to March 31, 2023) (Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Common stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of replacement cost of specified properties	Reserve for special depreciation	Unappropriated retained earnings	Total retained earnings
Balance at the beginning of current period	605,813	804,470	—	804,470	53,838	53,615	5	300,676	408,136
Changes of items during the period									
Cash dividends paid								(20,967)	(20,967)
Provision of reserve for reduction of replacement cost of specified properties									—
Reversal of reserve for reduction of replacement cost of specified properties						(247)		247	—
Provision of reserve for special depreciation							0	0	—
Reversal of reserve for special depreciation							(2)	2	—
Net income								268,296	268,296
Purchases of treasury stock									
Disposal of treasury stock								(990)	(990)
Net changes of items other than those in shareholders' equity									
Total changes of items during the period						(247)	(1)	246,588	246,338
Balance at the end of current period	605,813	804,470	—	804,470	53,838	53,367	3	547,265	654,475

	Shareholders' equity		Valuation, translation adjustments and others			
	Treasury stock	Total shareholders' equity	Unrealized holding gain and loss on securities	Unrealized gain and loss from hedging instruments	Total valuation, translation adjustments and others	Total net assets
Balance at the beginning of current period	(27,539)	1,790,880	2,989	3,490	6,479	1,797,360
Changes of items during the period						
Cash dividends paid		(20,967)				(20,967)
Provision of reserve for reduction of replacement cost of specified properties						—
Reversal of reserve for reduction of replacement cost of specified properties						—
Provision of reserve for special depreciation						—
Reversal of reserve for special depreciation						—
Net income		268,296				268,296
Purchases of treasury stock	(1)	(1)				(1)
Disposal of treasury stock	2,167	1,176				1,176
Net changes of items other than those in shareholders' equity			159	(27,902)	(27,743)	(27,743)
Total changes of items during the period	2,166	248,505	159	(27,902)	(27,743)	220,761
Balance at the end of current period	(25,373)	2,039,385	3,148	(24,411)	(21,263)	2,018,121

[Notes to Non-consolidated Financial Statements]
(Significant accounting policies)

1. Valuation methods for securities
   (1) Held-to-maturity securities
   Held-to-maturity securities are stated at amortized cost (straight-line method).

   (2) Equity securities issued by subsidiaries and affiliates
   Equity securities issued by subsidiaries and affiliates are carried at cost determined by the moving average method.

   (3) Other securities
   ①Marketable securities:
   Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, directly included in net assets. Cost of securities sold is calculated by the moving average method.
   ②Non-marketable securities:
   Non-marketable securities classified as other securities are carried at cost determined by the moving average method.
   Investments in limited liability partnerships and similar investments, defined as securities by Article 2, Section 2 of the Financial Instruments and Exchange Act, are recognized at the net amount corresponding to the owning portion under the equity method based on the latest available financial statements of the partnerships.

2. Valuation methods for derivative financial instruments
   Derivative financial instruments are carried at fair value.

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

4. Depreciation and amortization of fixed assets
   (1) Property, plant and equipment
   Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives and the estimated residual value determined by the Company.

   (2) Intangible fixed assets
   Amortization of intangible fixed assets is calculated by the straight-line method.
   Amortization of software for internal use is calculated by the straight-line method over the estimated useful life (5 years).

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

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

6. Basis for reserves
   (1) Allowance for doubtful accounts
   Allowance for doubtful accounts is provided based on past experience for normal receivables and on an estimate of the collectability of receivables from companies in financial difficulty.

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

   (3) Accrued retirement benefits
   Accrued retirement benefits or prepaid pension costs are recorded at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets at the end of the current fiscal year.
   For calculating the retirement benefit obligation, the benefit formula basis has been adopted for attributing projected benefits to periods.
   Past service cost is being amortized as incurred by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.
   Actuarial gain and loss are amortized from the year following the year in which the gain and loss are recognized by the straight-line method over periods which are shorter than the average remaining years of service of the eligible employees.

   (4) Provision for loss on business of subsidiaries and affiliates
   Provision for loss on business of subsidiaries and affiliates is recorded in consideration of the financial condition of affiliated companies.

7. Reporting of significant revenues and expenses

The Company's revenues are primarily from the sale of vehicles and parts. In addition, the Company recognizes royalty income from trademarks and technical know-how licensed to others for the manufacture and sale of products.

The Company generally recognizes revenue from the sale of vehicles and parts when the products are delivered based on terms agreed upon in contracts with customers. This is when legal title and the risk and rewards of ownership are transferred allowing the customer to dispose of the goods and the Company to request payment from the customer and is deemed to be the point at which control of the goods is transferred to the customer.

For domestic sales, vehicle sales are recognized when the vehicles are delivered to the destination agreed between the customers. Parts sales are recognized when the parts are shipped from the Company based on the application of alternative treatment allowed under paragraph 98 of the Implementation Guidance on *"Accounting Standard for Revenue Recognition"*.

The Company provides incentives primarily to dealers, and these incentives are calculated based on the total number of vehicles sold or the number of specific models sold by dealers during a specified period. The Company accrues these amounts as incentives upon the sale of vehicles using the "most likely amount method" and deducts them from revenue.

For export sales, revenues are primarily recognized when goods are loaded on the vessel.

Royalty income is primarily recognized based on the amount of the licensee's (majorly Company's subsidiaries and affiliates) revenue and at the time their revenue is recognized.

Revenue is measured based on the transaction price specified in contracts with customers, excluding the amounts collected on behalf of third parties such as tax authorities.

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

In addition, product sales contracts with customers include warranty clauses to cover free replacement or repair needed to correct defects in materials or workmanship of all parts and components and the Group recognizes provisions for product warranties to meet these guarantees. The provisions for such warranty costs are booked as described above in 6. Basis for reserves.

8. Hedge accounting

(1) Hedge accounting

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

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

· Hedged items for foreign currency denominated transactions can be booked directly using the forward contract rate, except for accounts receivables to which deferred hedge accounting is applied.

· For interest rate swap, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation.

(2) Hedging instruments and hedged items

· Hedging instruments.....Derivative transactions

· Hedged items................Mainly receivables and payables denominated in foreign currencies and others

(3) Hedging policy

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

(4) Assessment of hedge effectiveness

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

9. Other significant accounting policies

(1) Accounting for retirement benefit

The accounting methods of unrecognized actuarial gain and loss and unrecognized past service cost are different from those of the consolidated financial statements.

(2) Adoption of group tax sharing system

The Company adopts the group tax sharing system.

(Significant accounting estimates)

1. Impairment loss on fixed assets

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

For the idol assets and the assets determined to be disposed, no impairment loss was recorded in the non-consolidated statement of income for the current fiscal year.

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

Specific estimates are referred to the description provided in the section of 1. Impairment loss on fixed assets in (Significant accounting estimates) of the Consolidated Financial Statements. Of fixed assets, property, plant and equipment and intangible fixed assets recorded in the non-consolidated financial statements for the current fiscal year is ¥843,139 million. As a result of determining whether to recognize impairment, the Company judged that recognition of additional impairment losses on business-use assets is unnecessary.

2. Deferred tax assets

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

The net amount of deferred tax assets in the non-consolidated balance sheet for the current fiscal year is ¥158,391 million. The amounts of deferred tax assets and valuation allowances before offsetting are stated in the notes (For tax-effect accounting).

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

Specific estimates are referred to the description provided in the section of 2. Deferred tax assets in (Significant accounting estimates) of the Consolidated Financial Statements.

3. Expenses for market measures including recalls

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

The amount of service costs recorded in the non-consolidated statements of income for the current fiscal year is ¥41,133 million.

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

Specific estimates are referred to the description provided in the section of 5. Expenses for market measures including recalls in (Significant accounting estimates) of the Consolidated Financial Statements.

(Changes in presentation)

1. Non-consolidated statement of income

"Compensation for suppliers and others" and "Loss on valuation of inventories," which were included in "Other" under "Special losses" in the prior fiscal year, is presented as a separate account in the current fiscal year due to its increased financial materiality.
To reflect this change, ¥6,833 million of "Other" under "Special losses" in the prior fiscal year is reclassified into ¥6,530 million of "Compensation for suppliers and others" and ¥303 million of "Loss on valuation of inventories" in the non-consolidated statement of income for the prior fiscal year provided herein.

(Additional information)

As a result of the exit from the Russian market, the Company recorded related expenses of ¥27.4 billion under "Special losses," such as "Compensation for suppliers and others," "Loss on valuation of inventories" and "Other."

(For non-consolidated balance sheets)

1 ※1 Monetary receivables from and payables to subsidiaries and affiliates (except for separately disclosed)

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Short-term monetary receivables	322,581	392,984
Short-term monetary payables	684,796	531,338
Long-term monetary payables	7,899	7,445

2 Guarantees and others

Prior fiscal year (As of March 31, 2022)

(1) Guarantees

(Millions of yen)

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
Nissan Motor Acceptance Company LLC	150,000	Guarantees for loans for sales financing
NISSAN MOTOR MANUFACTURING (UK) LIMITED	100,926	Guarantees for loans to invest in plant facilities
Nissan Canada, Inc.	40,000	Guarantees for loans for sales financing
Nissan (South Africa) Proprietary Limited	190	Guarantees for loans for working capital
Employees	* 14,853	Guarantees for employees' housing loans
Total	305,970	

*Allowance for doubtful accounts is provided based on past experience.

(2) Commitments to provide guarantees

(Millions of yen)

Guarantees	Balance of commitments to provide guarantees	Description of liabilities guaranteed
Hibikinada Development Co., Ltd.	6	Commitments to provide guarantees for loans

(3) Keepwell Agreements

The Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2022 were as follows.

(Millions of yen)

Company name	Balance of liabilities
Nissan Motor Acceptance Company LLC	2,962,710
NISSAN FINANCIAL SERVICES CO. , LTD.	602,000
Nissan Financial Services Australia Pty Ltd	350,528
Nissan Canada, Inc.	325,676
Nissan Leasing (Thailand) Co., Ltd.	78,652
Nissan Financial Services New Zealand Pty Ltd	24,319
Total	4,343,886

Nissan Motor Acceptance Company LLC guarantee amount includes ¥150,000 million of guarantee and Nissan Canada, Inc. guarantee amount includes ¥40,000 million of guarantee.

Current fiscal year (As of March 31, 2023)

(1) Guarantees

(Millions of yen)

Guarantees	Balance of liabilities guaranteed	Description of liabilities guaranteed
NISSAN MOTOR MANUFACTURING (UK) LIMITED	103,855	Guarantees for loans to invest in plant facilities
Employees	* 11,837	Guarantees for employees' housing loans
Total	115,693	

*Allowance for doubtful accounts is provided based on past experience.

(2) Keepwell Agreements

The Company entered into keepwell agreements with the following financial subsidiaries and others to enhance their credit worthiness.

Their balances of liabilities at the end of March 2023 were as follows.

(Millions of yen)

Company name	Balance of liabilities
Nissan Motor Acceptance Company LLC	2,900,106
NISSAN FINANCIAL SERVICES CO. , LTD.	584,300
Nissan Financial Services Australia Pty Ltd	326,471
Nissan Canada, Inc.	247,778
Nissan Leasing (Thailand) Co., Ltd.	65,007
Nissan Financial Services New Zealand Pty Ltd	18,834
Total	4,142,498

3 Contingent liabilities

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

As a consequence of misstatements in Annual Securities Reports for each fiscal year in the past, there are some ongoing lawsuits. The Non-consolidated financial results may be affected by the progress of legal proceedings.

(For non-consolidated statement of income)

1 ※1 Transactions with subsidiaries and affiliates (Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Operating transactions:		
Sales	1,950,954	2,716,606
Operating expenses	1,056,205	1,379,391
Non-operating transactions	217,139	650,486

2 ※2 Major components of selling, general and administrative expenses are as follows. (Millions of yen)

	Prior fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Service costs	52,803	57,521
Provision for accrued warranty costs	23,596	34,540
Other selling expenses	33,346	33,091
Salaries and wages	82,231	86,367
Retirement benefit expenses	(3,798)	(2,972)
Outsourcing expenses	38,276	43,595
Depreciation and amortization	24,952	24,912
Provision for doubtful accounts	(88)	(289)
Vehicle distribution agreement related dispute expense	38,758	—

Selling expenses account for approximately 40% of the selling, general and administrative expenses in the current fiscal year, which is almost unchanged from the prior fiscal year.

(For securities)

Investments in subsidiaries and affiliates

Prior fiscal year (As of March 31, 2022)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	166,222	152,113
② Affiliates' shares	237,361	167,691	(69,670)
Total	251,471	333,914	82,443

Note: The amount of shares in the non-consolidated balance sheets not included in above because they do not have a market value.

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)
① Subsidiaries' shares	1,871,912
② Affiliates' shares	22,562

Current fiscal year (As of March 31, 2023)

(Millions of yen)

	Carrying value	Estimated fair value	Difference
① Subsidiaries' shares	14,109	160,341	146,232
② Affiliates' shares	237,361	264,455	27,094
Total	251,471	424,797	173,326

Note: The amount of shares in the non-consolidated balance sheets not included in above because they do not have a market value.

(Millions of yen)

	Current fiscal year (As of March 31, 2023)
① Subsidiaries' shares	1,890,253
② Affiliates' shares	16,447

(For tax-effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Deferred tax assets:		
Loss on valuation of securities	180,505	181,329
Foreign tax credits carried forward	78,242	166,347
Research and development expenses	106,261	112,465
Accrued expenses	49,001	71,146
Net operating loss carry forwards	86,567	33,864
Accrued warranty costs	16,563	20,881
Accrued retirement benefits	22,559	17,927
Unrealized gain and loss from hedging instruments	—	10,784
Amortization of deferred assets	7,459	8,823
Other	60,282	53,252
Total gross deferred tax assets	607,443	676,820
Valuation allowance for net operating loss carry forwards	(65,314)	(9,904)
Valuation allowance for the sum of deductible temporary differences, etc.	(373,156)	(472,129)
Total valuation allowance	(438,471)	(482,033)
Total deferred tax assets	168,972	194,787
Deferred tax liabilities:		
Reserves under Special Taxation Measures Law	(23,620)	(23,510)
Other	(11,339)	(12,885)
Total deferred tax liabilities	(34,960)	(36,395)
Net deferred tax assets	134,012	158,391

(Changes in Presentation)

"Amortization of deferred assets" included in prior fiscal year's deferred tax assets' "Other" is presented separately due to its increased materiality in current fiscal year. In addition, "Allowance for doubtful accounts" presented separately in prior fiscal year's deferred tax assets is included in "Other" due to its decreased materiality in current fiscal year. Prior fiscal year presentation is reclassified to reflect these changes.

2. The reconciliation between the effective tax rates reflected in the non-consolidated financial statements and the effective statutory tax rate is summarized as follows:

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Statutory tax rate:	This information is not provided due to the recording of a loss before income taxes for the prior fiscal year.	30.6%
(Reconciliation)		
Foreign subsidiaries unitary tax*		44.1%
Dividends income excluded from gross revenue		(62.8%)
Foreign tax credits carried forward		(31.9%)
Change in valuation allowance		15.8%
Foreign withholding taxes		4.8%
Other		2.3%
Effective tax rate after adoption of tax-effect accounting		2.9%

*Foreign subsidiaries unitary tax includes tax credits recognized based on the tax rules applied.

3. Accounting for local corporate income taxes and related tax-effect accounting

The Company transitioned from the consolidated taxation system to the group tax sharing system from the current fiscal year. Accordingly, corporate, local corporate income taxes and tax-effect accounting are accounted for and disclosed in accordance with *"Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System"* (PITF No. 42, August 12, 2021; hereinafter "PITF 42").
In addition, based on Article 32 (1) of PITF 42, the effects of the change in accounting policies due to the adoption of PITF 42 are deemed negligible.

(Revenue recognition)

For basic information to understand revenue recognition, refer to Notes to Non-Consolidated Financial Statements, Significant Accounting Policies 7. Reporting of significant revenues and expenses.

(Significant subsequent events)

Not applicable.

④ Non-consolidated supplemental schedules

Detailed schedule of fixed assets

(Millions of yen)

Category	Type of assets	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Depreciation or amortization for the current fiscal year	Balance at the end of the current fiscal year	Accumulated depreciation or amortization
Property, plant and equipment	Buildings	219,607	11,673	819	10,235	220,226	333,865
	Structures	27,600	1,623	80	1,599	27,543	84,249
	Machinery and equipment	209,899	51,988	2,601	35,310	223,974	769,916
	Vehicles	7,218	3,818	1,049	2,369	7,619	19,472
	Tools, furniture and fixtures	131,421	50,299	4,311	38,449	138,959	245,687
	Land	125,594	—	—	—	125,594	—
	Construction in progress	36,133	23,123	40,507	—	18,748	—
	Total	757,474	142,525	49,371	87,963	762,665	1,453,191
Intangible fixed assets		74,514	31,319	3,639	21,720	80,474	215,406

Detailed schedule of allowances

(Millions of yen)

Account	Balance at the beginning of the current fiscal year	Increase in the current fiscal year	Decrease in the current fiscal year	Balance at the end of the current fiscal year
Allowance for doubtful accounts	56,625	1,144	29,010	28,760
Accrued warranty costs	54,164	36,908	22,788	68,284
Provision for loss on business of subsidiaries and affiliates	555	2,560	60	3,055

(2) Details of major assets and liabilities

This information is omitted because the Company prepares consolidated financial statements.

(3) Other

Not applicable.

6. Information on Transfer and Repurchase of the Company's Stock

Fiscal year	From April 1 To March 31
General meeting of shareholders	June
Record date for dividend	March 31
Record dates for dividend of surplus	September 30 and March 31
Number of shares per unit of the Company's stock	100 shares
Repurchase of stocks of less than a standard unit	
Address where repurchases are processed	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited.
Administrator of shareholders' register	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited.
Offices available for repurchase	—
Charges for repurchase	Handling charges as set by the securities companies designated by the Company for the repurchase plus the related consumption tax
Method of public notice	Public notice of the Company shall be given by electronic means; provided, however, that in the event accidents or other unavoidable reasons prevent public notice by electronic means, the notice can be given in the *Nihon Keizai Shimbun.* The electronic public notice is presented on the Company's Web site at https://www.nissan-global.com/EN/IR/
Special benefits to shareholders	None

Note: According to the Company's Articles of Incorporation where the rights of shareholders holding stocks of less than a standard unit are prescribed, the holder of stocks of less than a standard unit shall not be entitled to exercise the rights of shareholders in connection with such below-unit shares other than those rights listed below:

(1) The rights stipulated in each item of Article 189, Paragraph 2, of the Companies Act;
(2) The right to make a claim in accordance with Article 166, Paragraph 1, of the Companies Act; and
(3) The right to subscribe for new shares or new share subscription rights in proportion to the number of the shares owned by said shareholder.

7. Reference Information on the Company

1. Information on the parent company or equivalent of the Company

The Company has no parent company or equivalent as prescribed in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. Other reference information

(1) Documents submitted between the beginning of the current fiscal year and the date when this Securities Report (*Yukashoken-Hokokusho*) was filed

The Company filed the following documents between the beginning of the fiscal year ended March 31, 2023 and the date when this Securities Report *(Yukashoken-Hokokusho)* was filed.

①	Securities Report and Accompanying Documents and Confirmation Note	Fiscal Year (the 123rd)	From April 1, 2021 To March 31, 2022	Submitted to the director of the Kanto Local Finance Bureau on June 30, 2022.
②	Internal Control Report	Fiscal Year (the 123rd)	From April 1, 2021 To March 31, 2022	Submitted to the director of the Kanto Local Finance Bureau on June 30, 2022.
③	Quarterly Securities Reports and Confirmation Notes	(The 1st quarter of 124th period)	From April 1, 2022 To June 30, 2022	Submitted to the director of the Kanto Local Finance Bureau on August 1, 2022.
		(The 2nd quarter of 124th period)	From July 1, 2022 To September 30, 2022	Submitted to the director of the Kanto Local Finance Bureau on November 11, 2022.
		(The 3rd quarter of 124th period)	From October 1, 2022 To December 31, 2022	Submitted to the director of the Kanto Local Finance Bureau on February 13, 2023.
④	Extraordinary Reports An extraordinary report according to the provision of Article 24-5, Paragraph 4, of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 (Matters that require a resolution of a general meeting of shareholders), of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.			Submitted to the director of the Kanto Local Finance Bureau on June 28, 2023.
⑤	Shelf Registration Statement (Shares) and Accompanying Documents FY2020 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022.
	Shelf Registration Statement (Shares) and Accompanying Documents FY2021 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 28, 2023.
	Shelf Registration Statement (Shares) and Accompanying Documents FY2022 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022.
	Shelf Registration Statement (Shares) and Accompanying Documents FY2023 RSUs			Submitted to the director of the Kanto Local Finance Bureau on June 28, 2023.
	Shelf Registration Statement (Bonds) and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on May 13, 2022.
⑥	Shelf Registration Supplements (Shares) and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on July 29, 2022.
	Shelf Registration Supplements (Bonds) and Accompanying Documents			Submitted to the director of the Kanto Local Finance Bureau on January 20, 2023.
⑦	Amended Shelf Registration Statements (Shares)			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022, and June 28, 2023.
	Amended Shelf Registration Statements (Bonds)			Submitted to the director of the Kanto Local Finance Bureau on June 29, 2022, January 13, 2023, and June 28, 2023.

(2) Female manager ratio, ratio of male employees taking childcare leave, and male and female average pay difference

Female manager ratio, ratio of male employees taking childcare leave, and male and female average pay difference for consolidated subsidiaries other than the major consolidated group companies (In Japan) are as follows.

Other Consolidated Subsidiaries (In Japan)

Current fiscal year					
Company name	Female manager ratio (%) (Note 1)	Ratio of male employees taking childcare leave (%) (Note 2)	Male and female average pay difference (%) (Note 4)		
			All employees	Regular employees	Non-Regular employees
Nissan Shatai Engineering Co.,Ltd.	8.3	10.0	59.2	61.8	64.6
Nissan Shatai Manufacturing Co., Ltd.	—	—	97.7	85.3	97.3
Nissan Shatai Computer Service Co., Ltd.	12.9	100.0	87.7	87.2	68.5
Nissan Shatai Kyushu Co., Ltd.	—	11.8	72.9	70.0	101.2
Auto Works Kyoto Co., Ltd.	4.5	(Note 3)	80.3	80.5	53.1
Prostaff Co., Ltd.	19.0	—	70.9	66.1	69.1
JATCO Engineering Ltd	2.0	11.1	73.7	73.3	91.2
JATCO Plant Tec Ltd	—	10.0	71.5	71.9	97.0
Nissan Trading Operation Japan Co., Ltd.	60.0	100.0	73.4	89.7	44.3
Nissan Creative Services Co., Ltd.	11.1	37.9	68.2	82.3	69.5
AK Transport Service Co., Ltd.	—	—	93.0	72.8	90.4
Vehicle Energy Japan Inc.	2.4	—	66.2	67.6	36.9
Nissan Used Car Center Co., Ltd.	—	—	78.7	83.4	51.9
Nissan Rent-A-Car Shizuoka Co., Ltd.	—	(Note 3)	105.0	75.5	161.1
Nissan Business Service Co., Ltd.	18.9	100.0	89.8	84.3	112.9
Nissan Service Center Co., Ltd.	—	20.0	72.1	83.9	86.8
Nissan Satio Fukuyama Co., Ltd.	—	—	71.0	68.8	85.7
Nissan Prince Hiroshima Hanbai Co., Ltd.	1.8	12.5	65.5	68.3	82.3
Aichi Nissan Motor Co., Ltd.	2.2	—	63.1	71.3	36.3
Asahikawa Nissan Motor Co., Ltd.	—	—	59.3	65.0	49.8
GIFU NISSAN MOTOR CO., LTD.	2.5	11.8	62.5	60.9	49.5
Shiga Nissan Motor Co., Ltd.	3.1	26.7	74.1	73.8	16.3
Kagoshima Nissan Motor Co., Ltd.	3.1	9.1	68.2	73.1	47.9
Hamamatsu Nissan Motor CO., Ltd.	1.6	—	78.0	74.4	56.6
Nissan Satio Saga Co., Ltd.	—	44.4	80.3	80.1	59.6
Nissan Prince Mie Hanbai Co., Ltd.	2.9	—	73.7	69.9	66.9
Nissan Prince Kanagawa Hanbai Co., Ltd.	3.0	9.1	73.2	73.1	87.9
Nissan Prince Shizuoka Hanbai Co., Ltd.	1.1	7.7	71.5	72.6	54.2
Nissan Prince Miyagi Hanbai Co., Ltd.	4.4	—	78.8	78.9	60.3
Kyoto Nissan Motor Co., Ltd.	—	25.0	67.0	72.9	108.3
Nissan Prince Saitama Hanbai Co., Ltd.	—	6.7	65.9	70.9	73.8
Nissan Prince Yamaguchi Hanbai Co., Ltd.	2.5	—	69.8	69.2	70.2
Nissan Prince Akita Hanbai Co., Ltd.	2.0	100.0	70.3	72.9	46.8
Nissan Prince Oita Hanbai Co., Ltd.	4.3	—	70.8	71.7	63.9
Nissan Prince Tochigi Hanbai Co., Ltd.	—	63.6	75.8	74.3	74.3
Nissan Prince Fukuoka Hanbai Co., Ltd.	3.6	—	67.1	72.4	75.1
Nissan Prince Fukushima Hanbai Co., Ltd.	1.4	20.0	74.5	76.8	41.3
Nissan Prince Nagoya Hanbai Co., Ltd.	1.7	12.5	66.2	66.0	42.9
Fukuoka Nissan Motor Co., Ltd.	2.5	7.1	79.9	77.8	72.5
Hyougo Nissan Motor Co., Ltd.	2.2	20.0	60.0	66.1	42.6
Nissan Satio Chiba Co., Ltd.	—	66.7	71.6	67.3	(Note 3)
Wakayama Nissan Motor Co., Ltd	4.0	—	75.6	73.3	68.7
Nissan Buhin Tokai Hanbai Co., Ltd.	—	—	59.2	70.0	72.6
Nissan Buhin Sanyo Hanbai Co., Ltd.	17.6	(Note 3)	78.5	78.2	95.7
Nissan Buhin Hokkaido Hanbai Co., Ltd.	4.2	—	78.1	75.1	88.5
Nissan Buhin Kinki Hanbai Co., Ltd.	2.1	50.0	69.0	74.6	85.6
Nissan Buhin Kyushu Hanbai Co., Ltd.	8.2	—	68.8	79.8	87.3
Nissan Buhin Hokuriku Hanbai Co., Ltd.	4.5	33.3	73.4	82.2	71.2
Nissan Buhin Nagano Hanbai Co., Ltd	—	(Note 3)	80.0	84.7	66.6
NISSAN AUTOMOTIVE TECHNOLOGY CO., LTD.	2.1	48.0	72.4	71.2	86.4
NISSAN ARC, LTD	13.3	100.0	85.7	81.6	88.9

Notes: 1. Calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Secondees are counted as employees of the hosting company.
2. Calculated pursuant to the provisions of the Act on the Welfare of Workers who Take Care of Children or other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991). The figure shows the ratio of male employees who take childcare leave set forth in Article 71-4, Item 1 of the Ordinance for Enforcement of the said Act (Ministry of Labor Ordinance No. 25 of 1991). Secondees are counted as employees of the hosting company.
3. Indicates that there are no employees under this category.
4. Calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Secondees are counted as employees of the home company. It shows the ratio of the average pay of female employees to that of male employees, calculated by dividing the total amount paid, including salaries, allowances, and bonuses, by the number of employees. Although there is a gap in average pay per person due to differences in the management composition of male and female employees, there is no difference in treatment between male and female employees in pay.
5. Relevant figures regarding consolidated subsidiaries other than major consolidated subsidiaries are described in 1. Overview of the Company 5. Employees (4) Female manager ratio, ratio of male employees taking childcare leave, and male and female average pay difference.

Part II Information on Guarantors for the Company

Not applicable

(For Translation Purposes Only)

Independent Auditor’s Report

June 29, 2023

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated and Engagement Partner
Certified Public Accountant Koki Ito

Designated and Engagement Partner
Certified Public Accountant Masanori Enomoto

Designated and Engagement Partner
Certified Public Accountant Takayuki Ando

Designated and Engagement Partner
Certified Public Accountant Masao Yamamoto

<Financial statements audit>

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements of Nissan Motor Co., Ltd. and its consolidated subsidiaries (the “Group”) included in “Financial Information” for the fiscal year from April 1, 2022 to March 31, 2023, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in net assets, and cash flows, significant accounting policies, other related notes, and the consolidated supplemental schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets of automobile business</th></tr>
<tr><th>Description of Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td>The Company records 4,369,281 million yen of “Property, plant and equipment” and 172,477 million yen of “Intangible fixed assets” in the consolidated balance sheet as of March 31, 2023. These include balances from both automobile business and sales finance business, and business-use assets related to automobile business was 2,575,759 million yen as of the current fiscal year end, which accounts for 14.6 % of total assets.

As described in “(Significant accounting estimates) 1. Impairment loss on fixed assets”, the Company groups assets based on business segments (automobile and sales financing) and regional classification which are mutually complementary with each other and consider if there are impairment indicators based on these classifications.

The Company’s automobile business faced supply chain disruptions, continuous semiconductor shortages and raw material price hikes, although there were positive effects of yen depreciation. As of the current fiscal year end, a portion of the automobile business asset group was considered to have indication of impairment due to recording consecutive operating losses. However, impairment was not recognized for these asset groups since the sum of undiscounted future cash flows exceeded the book value of assets.

Estimated future cash flows are used to determine recognition of impairment, which is based on the Company’s business plan that has been approved by the Management meeting. Fluctuation in market share conditions, profit margins and market growth rates will significantly impact the estimated future cash flows, therefore, these are considered as key assumptions in the accounting estimate. The Company considered expected changes in future business environment and relevant market trends in the business plan such as impact of semiconductor shortage, geopolitical risks, increase in raw material and energy prices, and foreign exchange rates.</td><td>Primary procedures we performed to address this key audit matter included the following.

- We compared the period of estimated future cash flows against the economical useful lives of primary assets.

- We assessed the consistency between future cash flows and the business plan approved by Management meeting.

- We performed a look back analysis on the business plan from prior periods against actual results as a risk assessment procedure of how the Company’s estimation process of the business plan will impact the estimated future cash flow.

- In relation to market share conditions, profit margins and market growth rates, which are key assumptions used in the estimated future cash flows, we discussed with management and understood the applied assumptions and performed the following procedures.

    - In relation to market share conditions, we compared them against past results and future sales volume predictions in the business plan which reflect plans of new model launches.

    - In relation to profit margins, we compared them against past results and analyzed the impact due to fluctuation in raw material price and foreign exchange rates. In relation to fixed costs, we performed a look back analysis on the business plan from prior periods against actual results and performed analysis of the impact to profit margins. In relation to foreign exchange rates, we compared them against available external data including future predictions.

    - In relation to market growth rates, we compared them against actual sales results by region in the automotive market and available external data which include automotive market total demand forecasts.</td></tr>
</table>

Net realizable value of land and other assets at the time of the end of economical useful lives of primary assets are estimated based on real estate appraisal value and other index which appropriately reflect the market value. A high degree of auditor judgement is required to evaluate the Company's key assumptions used in the estimation of future cash flows as it involves uncertainty and significant management judgement. In addition, if recognition of impairment of fixed assets is necessary, it may significantly impact the Company's consolidated financial statements. As such, we identified "Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets of automobile business" as a key audit matter.	- In relation to net realizable value of land and other assets, we compared the Company's estimate against market price and other available external data. - We performed sensitivity analysis of estimated future cash flows in order to assess the impact on impairment recognition. - We recalculated the estimate using the Company's model.

Valuation of recoverability of deferred tax assets of Nissan Motor Co., Ltd.	
Description of Key Audit Matter	Auditor's Response
The Company records 192,191 million yen of "Deferred tax assets" (net after offsetting deferred tax liabilities) in the consolidated balance sheet as of March 31, 2023. As described in "(Significant accounting estimates) 2. Deferred tax assets", the Company assesses the recoverability of deferred tax assets of future deductible temporary differences and losses carried forward, by taking into account the reversal of future taxable temporary differences and feasible tax planning strategies and by reasonably estimating future taxable income. The deferred tax assets recorded in the consolidated balance sheet (192,191 million yen) include 158,391 million yen recorded by Nissan Motor Co., Ltd. in the non-consolidated financial statements. As described in "2. Non-Consolidated Financial Statements (For tax-effect accounting)", deferred tax assets balance before offsetting deferred tax liabilities of Nissan Motor Co., Ltd. was 194,787 million yen.	Primary procedures we performed to address this key audit matter included the following. - We involved tax specialists to assess the balance of temporary tax differences and losses carried forward including scheduling. - We performed a look back analysis on the business plan from prior periods against actual results as a risk assessment procedure of how the Company's estimation process of the business plan will impact the estimated future taxable income. - In relation to demand forecasts, market share conditions and profit margins, which are key assumptions used in the business plan which is the basis of the estimated future taxable income of next fiscal year, we discussed with management and understood the applied assumptions and performed the following procedures. - In relation to demand forecasts, we compared them against actual sales results by region in the automotive market and available external data which include automotive market total demand forecasts.

Based on the figures composing the business plan of the next fiscal year that has been approved by the Management meeting, the Company estimates the future taxable income of Nissan Motor Co., Ltd. The estimate includes not only domestic sales but sales to overseas subsidiaries and affiliates, and fluctuation in demand forecasts, market share conditions and profit margins will significantly impact the estimated future taxable income, therefore, these are considered as key assumptions in the accounting estimate. In addition, the estimated future taxable income is impacted by permanent and temporary differences that are expected to incur next fiscal year. The Company faced supply chain disruptions, continuous semiconductor shortages and raw material price hikes, although there were positive effects of yen depreciation, and the Company's key assumptions used in the estimation of future taxable income involves uncertainty and significant management judgement. Therefore, a high degree of auditor judgement is required to evaluate it giving consideration to complex tax regulations which impact the Company. As such, we identified "Valuation of recoverability of deferred tax assets of Nissan Motor Co., Ltd." as a key audit matter.	- In relation to market share conditions, we compared them against past results and future sales volume predictions in the business plan which reflect plans of new model launches. - In relation to profit margins, we compared them against past results and analyzed the impact due to fluctuation in raw material price and foreign exchange rates. In addition, we performed analysis on how the sales volume would impact profit margins. In relation to foreign exchange rates, we compared them against available external data including future predictions. - In relation to permanent and temporary differences and others that are expected to incur next fiscal year which were considered when estimating the future taxable income, we discussed with management about the nature, assessed the consistency with supporting documents and compared them against past results. In relation to adjustments made based on information provided by subsidiaries, we involved the component auditors and evaluated the accuracy of the supporting documents. In addition, we involved tax specialists to assess complex tax regulations that have significant impact to the Company's financial statements. - We performed sensitivity analysis of estimated future taxable income in order to assess the impact on recoverability of deferred tax assets. - We recalculated the estimate using the Company's model.

Valuation of expense for recalls and other market measures	
Description of Key Audit Matter	Auditor's Response
As described in "(Significant accounting estimates) 5. Expenses for market measures such as recalls", the Company records 94,364 million yen of "Service costs" in the consolidated statement of income of the current fiscal year.	Primary procedures we performed to address this key audit matter included the following. - We performed a look back analysis on the estimates used in prior periods against actual results as a risk assessment procedure of the market measure estimate process.

Automobile manufacturers are responsible for filing recall and other market measures to authorities and to collect and repair vehicles which do not meet safety and environmental standards due to defect of the company's design and manufacturing process. The Company and its subsidiaries record amount of estimated expense as "Accrued expense" when market measures based on notifications to government authorities are deemed to be necessary, which is apart from warranty costs. A large-scale recall may significantly impact the Company's consolidated financial statements. Estimated market measure expense is composed of number of applicable vehicles in the market, expected implementation rates of market measures, and cost of market measures per unit. Out of these factors, the expected implementation rate of market measures significantly impacts the estimated market measure expense, therefore, it is considered a key assumption in the accounting estimate. A high degree of auditor judgement is required to evaluate the key assumptions as it involves uncertainty and significant management judgement. In addition, in order to completely reflect to the consolidated financial statements any market measure decisions made after fiscal year end, it is necessary to understand the existence of items which need to be accrued and evaluate the impact in a timely manner. As such, we identified the "Valuation of expense for recalls and other market measures" as a key audit matter.	- We inquired related departments and inspected meeting minutes to assess the completeness of market measure items and to understand the key assumptions included in the estimated expense. - We evaluated the consistency between number of applicable vehicles in the market used in the estimate with available data such as the Company's sales data, filed documents to authorities and published press release. - In relation to expected implementation rate of market measures which is a key assumption and cost of market measures per unit used in the estimate of market measure expense, we compared them against supporting documents and those of similar cases and past results. - We recalculated the estimate using the Company's model. - We considered any market measure decisions made after fiscal year end but before the issuance of consolidated financial statements to evaluate the completeness and accuracy of market measure expense. - We instructed auditors of the main consolidated subsidiaries to perform audit procedures around estimation of market measure expense such as recall and received reports of the audit results. We evaluated whether adequate audit evidence was obtained.

Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management’s and the Audit Committee’s Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal control audit>

Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2023 of Nissan Motor Co., Ltd. ("Management's Report").

In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2023 of Nissan Motor Co., Ltd. is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and the Audit Committee's Responsibilities for Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibilities for the Audit of Internal Control

OOur objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.

・Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.

・Obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and performance of the audit of Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes:

1. The original copy of the above Independent Auditor's Report is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

(For Translation Purposes Only)

Independent Auditor's Report

June 29, 2023

The Board of Directors
Nissan Motor Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated and Engagement Partner Certified Public Accountant	Koki Ito
Designated and Engagement Partner Certified Public Accountant	Masanori Enomoto
Designated and Engagement Partner Certified Public Accountant	Takayuki Ando
Designated and Engagement Partner Certified Public Accountant	Masao Yamamoto

Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying non-consolidated financial statements of Nissan Motor Co., Ltd. (the "Company") included in "Financial Information" for the 124th fiscal year from April 1, 2022 to March 31, 2023, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in net assets, significant accounting policies, other related notes, and the non-consolidated supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2023, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of judgement of whether impairment loss recognition is necessary for fixed assets
The Company records 762,665 million yen of “Property, plant and equipment” and 80,474 million yen of “Intangible fixed assets” in the non-consolidated balance sheet as of March 31, 2023. These assets are related to the automobile business. We refer to the independent auditor’s report of the consolidated financial statements for the description of the key audit matter and auditor’s response as the description is identical.

Valuation of recoverability of deferred tax assets
The Company records 158,391 million yen of “Deferred tax assets” (net after offsetting deferred tax liabilities) in the non-consolidated balance sheet as of March 31, 2023. As described in “(For tax-effect accounting)”, deferred tax assets balance before offsetting deferred tax liabilities was 194,787 million yen. We refer to the independent auditor’s report of the consolidated financial statements for the description of the key audit matter and auditor’s response as the description is identical.

Valuation of expense for recalls and other market measures
As described in “(Significant accounting estimates) 3. Expenses for market measures including recalls”, the Company records 41,133 million yen of service costs in the non-consolidated statement of income for this fiscal year. We refer to the independent auditor’s report of the consolidated financial statements for the description of the key audit matter and auditor’s response as the description is identical.

Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the entity’s reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management’s and the Audit Committee’s Responsibilities for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.

・Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

・Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

・Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes:
1. The original copy of the above Independent Auditor's Report is in the custody of the Company—the submitter of this Securities Report.
2. The XBRL data is not included in the scope of Audit.

【Cover】

【Document Submitted】	Internal Control Report (“Naibutousei-Houkokusho”)
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-4, Paragraph 1, of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 30, 2023
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Basic Framework of Internal Control Over Financial Reporting

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd. (the “Company”) and Stephen Ma, Executive Officer, Chief Financial Officer have responsibility to design and operate internal controls over the Company’s financial reporting, and fulfill that responsibility in accordance with the basic framework set forth in “On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)” published by the Business Accounting Council.

Internal control aims to ensure, to a reasonable extent, that all material individual components of internal control are integrated and function properly as a whole. Thus, internal control over financial reporting may not be able to completely prevent or detect financial reporting misstatements.

2. Scope of Assessment, Assessment Date and Assessment Procedure

An assessment of internal control over financial reporting was performed as of March 31, 2023 (i.e. the last day of the current fiscal year) in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

In this assessment, Management first assessed company-level controls. Company-level controls (CLC) are controls that would have a material impact on the reliability of overall financial reporting on a consolidated basis, and consists of control environment, risk assessment and response, control activities, information and communication, monitoring, and IT Strategy. CLC was assessed by testing and evaluating each CLC element. This includes an assessment on the supervisory effectiveness of the Board of Directors (BOD) such as the operation of the Nomination Committee, the Audit Committee, and the Remuneration Committee as part of the Three-Party Committee system. Based on CLC results, Management then selected individual business processes to be assessed, as part of Process Level Control (PLC) testing. For these processes, Management assessed internal control effectiveness by analyzing the business processes in scope, identifying key controls that would have a material impact on the reliability of the financial reporting, and assessing the design and operation of key controls. In assessing internal control effectiveness of the business processes, Management assessed the effectiveness of IT Application Controls (ITAC) incorporated into business processes and IT General Controls (ITGC), control activities intended to ensure an environment in which IT application controls function effectively.

Management determined the scope for the internal control over financial reporting assessment by assessing the Company itself, consolidated subsidiaries, and companies accounted for by the equity method based on relative impact (materiality) to financial reporting. The materiality assessment was performed both quantitatively and qualitatively. Management reasonably determined the process-level control assessment scope based on the result of the company-level control assessment.

To specifically determine the PLC assessment scope, certain entities were assessed as “Significant Business Locations.” These entities comprised approximately two-thirds of the Company’s previous fiscal year aggregated net sales (after intercompany eliminations) and were chosen in descending order (starting with the highest impact). For these entities, all business processes impacting Company business objectives (i.e. sales, accounts receivable, and inventory) were included in the assessment scope.

Additionally, even if an entity was not considered a Significant Business Location, certain business processes related to significant accounts involving estimates and management judgment, or related to high-risk transactions were added to the assessment scope as a “business process with a material impact on financial reporting.”

3. Assessment Result

Based on the assessment results, Management concluded internal control over financial reporting at the end of the current fiscal year was effective.

4. Supplementary Information

Not applicable

5. Special Affairs

Not applicable

【Cover】

【Document Submitted】	Confirmation Note
【Article of the Applicable Law Requiring Submission of This Document】	Article 24-4-2, Paragraph 1, of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Date of Submission】	June 30, 2023
【Company Name】	Nissan Jidosha Kabushiki-Kaisha
【Company Name (in English)】	Nissan Motor Co., Ltd.
【Position and Name of Representative】	Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer
【Position and Name of Chief Financial Officer】	Stephen Ma, Executive Officer, Chief Financial Officer
【Location of Head Office】	2, Takaracho, Kanagawa-ku, Yokohama-shi, Kanagawa
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. 2-1, Nihonbashi Kabutocho, Chuo-ku, Tokyo

1. Accuracy of the Descriptions in This Securities Report

Makoto Uchida, Representative Executive Officer, President and Chief Executive Officer of Nissan Motor Co., Ltd., and Stephen Ma, Executive Officer, Chief Financial Officer have confirmed that this Securities Report “Yukashoken-Houkokusho (from April 1, 2022 to March 31, 2023) ” of the 124th Fiscal Term is reasonably and fairly described in accordance with the Financial Instruments and Exchange Act.

2. Special Affairs

There are no noteworthy matters that are pertinent to this securities report.