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## FINANCIAL STATEMENTS

## Consolidated balance sheets (China JV Equity basis)

	(Millions of yen)	
	FY2012 As of March 31, 2013	FY2013 As of March 31, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and in banks	604,357	822,863
Trade notes and accounts receivable	583,112	785,954
Sales finance receivables	4,161,925	5,033,558
Securities	107,652	13,470
Merchandise and finished goods	663,889	769,676
Work in process	97,952	94,386
Raw materials and supplies	283,418	287,789
Deferred tax assets	244,133	210,395
Other	511,744	650,143
Allowance for doubtful accounts	(43,664)	(58,956)
<b>Total current assets</b>	<b>7,214,518</b>	<b>8,609,278</b>
<b>Fixed assets</b>		
Property, plant and equipment		
Buildings and structures, net	600,336	615,127
Machinery, equipment and vehicles, net	2,265,006	2,658,776
Land	644,656	642,932
Construction in progress	250,858	337,635
Other, net	421,482	503,568
<b>Total property, plant and equipment</b>	<b>4,182,338</b>	<b>4,758,038</b>
Intangible fixed assets	75,446	92,334
Investments and other assets		
Investment securities	717,555	930,293
Long-term loans receivable	13,052	13,529
Deferred tax assets	83,705	117,437
Other	158,420	185,047
Allowance for doubtful accounts	(2,697)	(2,553)
<b>Total investments and other assets</b>	<b>970,035</b>	<b>1,243,753</b>
<b>Total fixed assets</b>	<b>5,227,819</b>	<b>6,094,125</b>
<b>Total assets</b>	<b>12,442,337</b>	<b>14,703,403</b>

	(Millions of yen)	
	FY2012 As of March 31, 2013	FY2013 As of March 31, 2014
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	1,168,584	1,511,910
Short-term borrowings	519,796	706,576
Current portion of long-term borrowings	779,856	910,546
Commercial papers	219,453	151,175
Current portion of bonds	181,336	226,590
Lease obligations	32,673	32,838
Accrued expenses	598,890	693,438
Deferred tax liabilities	116	316
Accrued warranty costs	80,311	93,151
Other	672,245	860,709
<b>Total current liabilities</b>	<b>4,253,260</b>	<b>5,187,249</b>
<b>Long-term liabilities</b>		
Bonds	671,693	918,783
Long-term borrowings	2,352,170	2,682,381
Lease obligations	22,795	23,580
Deferred tax liabilities	555,249	605,140
Accrued warranty costs	89,021	105,884
Accrued retirement benefits	164,672	—
Net defined benefit liability	—	216,583
Other	297,447	292,275
<b>Total long-term liabilities</b>	<b>4,153,047</b>	<b>4,844,626</b>
<b>Total liabilities</b>	<b>8,406,307</b>	<b>10,031,875</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	605,814	605,814
Capital surplus	804,470	804,485
Retained earnings	3,252,876	3,526,646
Treasury stock	(149,549)	(149,315)
<b>Total shareholders' equity</b>	<b>4,513,611</b>	<b>4,787,630</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain and loss on securities	20,897	81,630
Unrealized gain and loss from hedging instruments	(8,578)	(7,015)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(13,945)
Translation adjustments	(780,137)	(469,202)
Remeasurements of defined benefit plans	—	(40,444)
<b>Total accumulated other comprehensive income</b>	<b>(781,763)</b>	<b>(448,976)</b>
Share subscription rights	2,415	2,401
Minority interests	301,767	330,473
<b>Total net assets</b>	<b>4,036,030</b>	<b>4,671,528</b>
<b>Total liabilities and net assets</b>	<b>12,442,337</b>	<b>14,703,403</b>



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## Consolidated statement of income (China JV Equity basis)

(Millions of yen)

	FY2012 (From April 1, 2012 to March 31, 2013)	FY2013 (From April 1, 2013 to March 31, 2014)
Net sales	8,737,320	10,482,520
Cost of sales	7,289,987	8,636,063
Gross profit	1,447,333	1,846,457
<b>Selling, general and administrative expenses</b>		
Advertising expenses	214,076	289,098
Service costs	50,671	100,255
Provision for warranty costs	68,363	107,480
Other selling expenses	129,337	204,953
Salaries and wages	311,139	354,908
Retirement benefit expenses	11,306	25,174
Supplies	3,581	3,637
Depreciation and amortization	46,031	43,515
Provision for doubtful accounts	6,248	31,869
Amortization of goodwill	2,104	1,814
Other	165,654	185,389
Total selling, general and administrative expenses	<b>1,008,510</b>	<b>1,348,092</b>
Operating income	<b>438,823</b>	<b>498,365</b>
<b>Non-operating income</b>		
Interest income	11,276	17,064
Dividends income	4,672	6,013
Equity in earnings of affiliates	80,186	78,815
Exchange gain	19,092	—
Miscellaneous income	8,796	9,254
Total non-operating income	<b>124,022</b>	<b>111,146</b>
<b>Non-operating expenses</b>		
Interest expense	26,312	28,677
Amortization of net retirement benefit obligation at transition	9,947	9,075
Derivative loss	6,359	18,166
Exchange loss	—	13,063
Miscellaneous expenses	15,806	13,341
Total non-operating expenses	<b>58,424</b>	<b>82,322</b>
Ordinary income	<b>504,421</b>	<b>527,189</b>

(Millions of yen)

	FY2012 (From April 1, 2012 to March 31, 2013)	FY2013 (From April 1, 2013 to March 31, 2014)
<b>Special gains</b>		
Gain on sales of fixed assets	10,775	9,168
Gain on sales of investment securities	1,549	3,774
Gain on contribution of securities to retirement benefit trust	—	12,175
Other	2,945	2,011
Total special gains	<b>15,269</b>	<b>27,128</b>
<b>Special losses</b>		
Loss on sales of fixed assets	1,020	1,694
Loss on disposal of fixed assets	8,247	11,456
Impairment loss	12,280	2,130
Special addition to retirement benefits	789	4,744
Other	10,021	4,915
Total special losses	<b>32,357</b>	<b>24,939</b>
Income before income taxes and minority interests	<b>487,333</b>	<b>529,378</b>
Income taxes-current	86,065	131,990
Income taxes-deferred	38,229	(16,939)
Total income taxes	<b>124,294</b>	<b>115,051</b>
Income before minority interests	<b>363,039</b>	<b>414,327</b>
Income attributable to minority interests	<b>21,922</b>	<b>25,293</b>
Net income	<b>341,117</b>	<b>389,034</b>



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## Consolidated statement of cash flows (China JV Equity basis)

(Millions of yen)

	FY2012 (From April 1, 2012 to March 31, 2013)	FY2013 (From April 1, 2013 to March 31, 2014)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	487,333	529,378
Depreciation and amortization (for fixed assets excluding leased vehicles)	329,459	364,926
Depreciation and amortization (for long term prepaid expenses)	18,836	24,086
Depreciation and amortization (for leased vehicles)	219,155	288,276
Impairment loss	12,280	2,130
Gain on contribution of securities to retirement benefit trust	—	(12,175)
Increase (decrease) in allowance for doubtful receivables	(6,283)	12,160
Provision for residual value risk of leased vehicles(net changes)	12,378	11,633
Interest and dividend income	(15,948)	(23,077)
Interest expense	84,025	101,451
Equity in losses (earnings) of affiliates	(80,186)	(78,815)
Loss (gain) on sales of fixed assets	(9,755)	(7,474)
Loss on disposal of fixed assets	8,247	11,456
Loss (gain) on sales of investment securities	(1,520)	(3,774)
Decrease (increase) in trade notes and accounts receivable	104,140	(173,228)
Decrease (increase) in sales finance receivables	(550,158)	(587,060)
Decrease (increase) in inventories	(14,804)	(38,057)
Increase (decrease) in trade notes and accounts payable	(93,228)	334,367
Amortization of net retirement benefit obligation at transition	9,947	9,075
Retirement benefit expenses	31,767	37,701
Retirement benefit payments made against related accrual	(44,287)	—
Payments made against net defined benefit liability	—	(36,658)
Other	(2,804)	38,523
<b>Subtotal</b>	<b>498,594</b>	<b>804,844</b>
Interest and dividends received	15,814	20,654
Proceeds from dividends income from affiliates accounted for by equity method	59,966	98,907
Interest paid	(86,847)	(99,861)
Income taxes paid	(75,270)	(96,421)
<b>Net cash provided by operating activities</b>	<b>412,257</b>	<b>728,123</b>

(Millions of yen)

	FY2012 (From April 1, 2012 to March 31, 2013)	FY2013 (From April 1, 2013 to March 31, 2014)
<b>Cash flows from investing activities</b>		
Net decrease (increase) in short-term investments	(25)	(3,360)
Purchase of fixed assets	(455,703)	(551,808)
Proceeds from sales of fixed assets	59,714	79,578
Purchase of leased vehicles	(709,995)	(1,004,141)
Proceeds from sales of leased vehicles	323,615	465,501
Payments of long-term loans receivable	(8,439)	(1,292)
Collection of long-term loans receivable	239	254
Purchase of investment securities	(33,628)	(37,617)
Proceeds from sales of investment securities	2,200	2,223
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	15,106	(1,321)
Proceeds (purchase) from purchase of subsidiaries' shares resulting in changes in the scope of consolidation	—	972
Net decrease (increase) in restricted cash	(22,727)	(8,628)
Other	(8,404)	(20,777)
<b>Net cash used in investing activities</b>	<b>(838,047)</b>	<b>(1,080,416)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	354,254	(19,920)
Proceeds from long-term borrowings	1,122,914	1,373,644
Proceeds from issuance of bonds	236,311	444,666
Repayments of long-term borrowings	(952,033)	(1,058,838)
Redemption of bonds	(182,877)	(181,628)
Proceeds from minority shareholders	9,514	9,599
Purchase of treasury stock	(7)	(11)
Proceeds from sales of treasury stock	—	127
Repayments of lease obligations	(52,941)	(44,312)
Cash dividends paid	(94,306)	(115,265)
Cash dividends paid to minority shareholders	(7,012)	(11,137)
<b>Net cash provided by financing activities</b>	<b>433,817</b>	<b>396,925</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>50,550</b>	<b>74,850</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>58,577</b>	<b>119,482</b>
Cash and cash equivalents at beginning of the period	652,944	711,901
Increase due to inclusion in consolidation	548	1,333
Decrease due to exclusion from consolidation	(168)	—
<b>Cash and cash equivalents at end of the period</b>	<b>711,901</b>	<b>832,716</b>