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CORPORATE FACE TIME

TOP MESSAGE

NISSAN POWER 88

PERFORMANCE

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

Consolidated balance sheets (China JV Equity basis)

(Millions of yen)

	FY2014 As of March 31, 2015	FY2015 As of March 31, 2016
Assets		
Current assets		
Cash on hand and in banks	761,074	918,771
Trade notes and accounts receivable	888,814	837,704
Sales finance receivables	6,312,874	6,653,237
Securities	41,651	73,384
Merchandise and finished goods	853,962	857,818
Work in process	90,811	86,313
Raw materials and supplies	365,224	330,435
Deferred tax assets	226,891	251,689
Other	851,168	825,080
Allowance for doubtful accounts	(75,124)	(86,858)
Total current assets	10,317,345	10,747,573
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	661,979	645,945
Machinery, equipment and vehicles, net	3,121,627	3,182,514
Land	643,940	625,152
Construction in progress	265,119	196,718
Other, net	573,574	566,573
Total property, plant and equipment	5,266,239	5,216,902
Intangible fixed assets	114,456	130,877
Investments and other assets		
Investment securities	988,733	893,688
Long-term loans receivable	14,569	7,747
Net defined benefit assets	10,078	4,691
Deferred tax assets	140,669	187,106
Other	195,927	186,962
Allowance for doubtful accounts	(2,357)	(1,903)
Total investments and other assets	1,347,619	1,278,291
Total fixed assets	6,728,314	6,626,070
Total assets	17,045,659	17,373,643

(Millions of yen)

	FY2014 As of March 31, 2015	FY2015 As of March 31, 2016
Liabilities		
Current liabilities		
Trade notes and accounts payable	1,554,399	1,479,689
Short-term borrowings	1,022,613	1,037,271
Current portion of long-term borrowings	1,376,780	1,350,894
Commercial paper	200,692	499,875
Current portion of bonds	216,942	357,998
Lease obligations	23,043	14,916
Accrued expenses	908,909	981,989
Deferred tax liabilities	64	51
Accrued warranty costs	112,989	106,536
Other	1,001,064	934,968
Total current liabilities	6,417,495	6,764,187
Long-term liabilities		
Bonds	1,095,518	969,987
Long-term borrowings	2,717,478	2,755,896
Lease obligations	18,167	14,460
Deferred tax liabilities	673,521	691,809
Accrued warranty costs	129,365	138,107
Net defined benefit liability	336,261	424,123
Other	410,592	474,329
Total long-term liabilities	5,380,902	5,468,711
Total liabilities	11,798,397	12,232,898
Net assets		
Shareholders' equity		
Common stock	605,814	605,814
Capital surplus	804,567	805,646
Retained earnings	3,811,848	4,150,740
Treasury stock	(148,239)	(148,684)
Total shareholders' equity	5,073,990	5,413,516
Accumulated other comprehensive income		
Unrealized holding gain and loss on securities	95,600	64,030
Unrealized gain and loss from hedging instruments	7,185	(4,486)
Adjustment for revaluation of the accounts of the consolidated subsidiaries based on general price level accounting	(13,945)	(13,945)
Translation adjustments	(246,776)	(582,363)
Remeasurements of defined benefit plans	(81,638)	(155,487)
Total accumulated other comprehensive income	(239,574)	(692,251)
Share subscription rights	2,294	502
Non-controlling interests	410,552	418,978
Total net assets	5,247,262	5,140,745
Total liabilities and net assets	17,045,659	17,373,643



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CORPORATE GOVERNANCE

Consolidated statement of income (China JV Equity basis)

	(Millions of yen)	
	FY2014 (From April 1, 2014 to March 31, 2015)	FY2015 (From April 1, 2015 to March 31, 2016)
Net sales	11,375,207	12,189,519
Cost of sales	9,241,341	9,796,998
Gross profit	2,133,866	2,392,521
Selling, general and administrative expenses		
Advertising expenses	336,792	342,213
Service costs	93,606	130,530
Provision for warranty costs	133,567	137,941
Other selling expenses	255,044	234,456
Salaries and wages	392,969	393,739
Retirement benefit expenses	17,511	16,137
Supplies	4,222	3,901
Depreciation and amortization	44,826	45,056
Provision for doubtful accounts	52,079	63,586
Amortization of goodwill	1,837	5,111
Other	211,852	226,573
Total selling, general and administrative expenses	1,544,305	1,599,243
Operating income	589,561	793,278
Non-operating income		
Interest income	25,323	26,467
Dividends income	6,425	5,966
Equity in earnings of affiliates	106,513	122,524
Derivative income	—	37,683
Exchange gain	66,185	—
Miscellaneous income	17,813	11,726
Total non-operating income	222,259	204,366
Non-operating expenses		
Interest expense	29,167	24,806
Derivative loss	58,379	—
Exchange loss	—	96,452
Amortization of net retirement benefit obligation at transition	9,098	—
Miscellaneous expenses	20,944	14,114
Total non-operating expenses	117,588	135,372
Ordinary income	694,232	862,272

	(Millions of yen)	
	FY2014 (From April 1, 2014 to March 31, 2015)	FY2015 (From April 1, 2015 to March 31, 2016)
Special gains		
Gain on sales of fixed assets	20,008	9,011
Gain on sales of investment securities	2,022	23,338
Gain on contribution of securities to retirement benefit trust	17,725	—
Insurance income	—	5,287
Other	4,147	4,762
Total special gains	43,902	42,398
Special losses		
Loss on sales of fixed assets	3,299	4,937
Loss on disposal of fixed assets	17,069	13,274
Impairment loss	16,103	42,087
Quality-related costs	—	90,700
Other	14,242	20,738
Total special losses	50,713	171,736
Income before income taxes	687,421	732,934
Income taxes—current	224,010	149,920
Income taxes—deferred	(26,686)	30,221
Total income taxes	197,324	180,141
Net income	490,097	552,793
Net income attributable to non-controlling interests	32,523	28,952
Net income attributable to owners of the parent	457,574	523,841



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PERFORMANCE

CORPORATE GOVERNANCE

Consolidated statement of cash flows (China JV Equity basis)

	(Millions of yen)	
	FY2014 (From April 1, 2014 to March 31, 2015)	FY2015 (From April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Income before income taxes and minority interests	687,421	732,934
Depreciation and amortization (for fixed assets excluding leased vehicles)	398,982	424,881
Depreciation and amortization (for long term prepaid expenses)	28,003	18,666
Depreciation and amortization (for leased vehicles)	355,292	389,339
Impairment loss	16,103	42,087
Gain on contribution of securities to retirement benefit trust	(17,725)	—
Increase (decrease) in allowance for doubtful receivables	13,471	16,669
Loss (gain) for residual value risk of leased vehicles	41,911	53,737
Quality-related costs	—	90,700
Interest and dividend income	(31,748)	(32,433)
Interest expense	112,823	111,906
Equity in losses (earnings) of affiliates	(106,513)	(122,524)
Loss (gain) on sales of fixed assets	(16,709)	(4,074)
Loss on disposal of fixed assets	17,069	13,274
Loss (gain) on sales of investment securities	(2,022)	(23,338)
Decrease (increase) in trade notes and accounts receivable	(64,118)	15,171
Decrease (increase) in sales finance receivables	(707,321)	(830,209)
Decrease (increase) in inventories	(82,435)	(17,244)
Increase (decrease) in trade notes and accounts payable	125,840	217,587
Amortization of net retirement benefit obligation at transition	9,098	—
Retirement benefit expenses	26,789	13,581
Payments related to net defined benefit assets and liabilities	(25,815)	(29,854)
Other	55,372	55,978
Subtotal	833,768	1,136,834
Interest and dividends received	25,793	33,222
Proceeds from dividends income from affiliates accounted for by equity method	145,780	144,961
Interest paid	(114,659)	(110,439)
Income taxes paid	(197,899)	(277,565)
Net cash provided by operating activities	692,747	927,013

	(Millions of yen)	
	FY2014 (From April 1, 2014 to March 31, 2015)	FY2015 (From April 1, 2015 to March 31, 2016)
Cash flows from investing activities		
Net decrease (increase) in short-term investments	3,405	4,855
Purchase of fixed assets	(513,268)	(531,251)
Proceeds from sales of fixed assets	88,318	80,320
Purchase of leased vehicles	(1,070,654)	(1,385,990)
Proceeds from sales of leased vehicles	537,721	560,861
Payments of long-term loans receivable	(534)	(3,018)
Collection of long-term loans receivable	310	8,285
Purchase of investment securities	(25,591)	(24,869)
Proceeds from sales of investment securities	6,104	25,192
Proceeds from (payments for) sales of subsidiaries' shares resulting in changes in the scope of consolidation	(156)	—
Proceeds from (payments for) purchase of subsidiaries' shares resulting in changes in the scope of consolidation	—	(6,354)
Net decrease (increase) in restricted cash	(36,258)	44,839
Other	(11,422)	(2,150)
Net cash used in investing activities	(1,022,025)	(1,229,280)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	445,170	420,085
Proceeds from long-term borrowings	981,970	1,824,367
Proceeds from issuance of bonds	325,513	270,592
Repayments of long-term borrowings	(1,094,942)	(1,545,177)
Redemption of bonds	(238,124)	(212,033)
Proceeds from non-controlling interests	6,242	4,914
Purchase of treasury stock	(61)	(28,325)
Proceeds from sales of treasury stock	618	303
Repayments of lease obligations	(34,047)	(23,093)
Cash dividends paid	(132,054)	(157,239)
Cash dividends paid to non-controlling interests	(14,389)	(23,788)
Net cash provided by financing activities	245,896	530,606
Effects of exchange rate changes on cash and cash equivalents	50,660	(45,107)
Increase (decrease) in cash and cash equivalents	(32,722)	183,232
Cash and cash equivalents at beginning of the period	832,716	802,612
Increase due to inclusion in consolidation	2,618	6,251
Cash and cash equivalents at end of the period	802,612	992,095