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August 20, 2020

Company Name	Nissan Motor Co., Ltd.
Code No.	7201
Inquiry	IR Department (TEL 045-523-5523)

Detail of Stock-Based Compensation Plan and filing a Shelf Registration Statement

The Company has announced the detail of Stock-Based Compensation Plan (“Plan”) which was announced on August 7, 2020 and also has filed a Shelf Registration Statement regarding the disposal of treasury stock pursuant to the Plan.

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August 20, 2020

Introduction of Stock-Based Compensation Plan

Nissan (the “Company”) will introduce restricted stock units (“RSUs”) as part of a stock-based compensation plan (the “Plan”) from and after fiscal year 2020. Such RSUs will replace the share appreciation rights (“SARs”), which the Company discontinued as of fiscal year 2019. Details regarding the Plan as previously announced on August 7, 2020 are set forth below.

1. Background of Introducing the Plan

The Company adopted a company with three statutory committee format at the close of the Ordinary General Meeting of Shareholders held on June 25, 2019. All four members (including the chair) of the Compensation Committee are Independent Outside Directors. Such Compensation Committee has reviewed appropriate benchmark companies and external research reports to foster objective and reasonable discussions in designing new compensation guidelines and policies. The Company has sought to further improve governance of compensation by way of the foregoing.

As part of an effort to improve corporate governance, which began in December 2018, the Compensation Committee has resolved to discontinue granting SARs from and after fiscal year 2020, and has been exploring a new long-term incentive compensation program to replace SARs that will maximize value for the Company’s stakeholders. With the introduction of the Plan, which is part of an incentive system that is fair and consistent, the Company seeks to bolster Recipients’ (as defined below) desire to contribute to the advancement of the Company’s long-term business performance. Moreover, for the benefit of the Company’s stakeholders, the Company will seek to further strengthen compensation governance, including by implementing a more transparent business process and promoting information disclosure.

2. Purpose of Introducing the Plan

Under the Plan, executive officers, corporate officers and certain employees of the Company and its group companies, as well as directors (except Outside Directors) of the Company’s group companies, in each case selected by the Company (collectively, “Recipients”) will be provided Common Stock (as defined below) as part of a long-term incentive plan, which will replace the discontinued SARs. The purpose of the Plan is to enable such Recipients to share the benefits as well as risks of stock price fluctuation with the Company’s stockholders and to stimulate the motivation of such Recipients to contribute to an increase in stock price and a continued advancement of corporate value.

3. Outline of the Plan

(1) Outline of RSUs

The Company will grant Recipients the number of RSUs corresponding to the number (predetermined for each Recipient) of shares (“Allotted Shares”) of the Company’s common stock (“Common Stock”), conditioned on, among other things, such Recipients’ continued employment during the period designated by the Company (the “Subject Period”). One-third of the RSUs will vest (and equivalent Allotted Shares will be provided) each year over the course of three fiscal years. The Company will provide Common Stock to Recipients pursuant to the Plan from the treasury stock held by the Company.

(2) Aggregate Number of RSUs

Recipients will be granted RSUs equivalent to 4 million shares in the aggregate. Moreover, of the foregoing, RSUs equivalent to 858,036 shares will be granted to executive officers of the Company.

(3) RSU Mechanics

(a) Subject Period

The Subject Period will be three years.

(b) Determining the Number of RSUs

The Compensation Committee (with respect to Recipients who are executive officers of the Company) or the Chief Executive Officer (with respect to all other Recipients) (together, “RSU Decision Makers”) will determine the number of RSUs to be granted corresponding to the number of Allotted Shares based on the applicable Recipient’s base salary and position.

(c) Provision of Common Stock

The applicable RSU Decision Maker will determine the number of Common Stock to be provided based on the RSUs that vested during the Subject Period.

(4) Conditions for Provision of Common Stock to Recipients

Upon expiration of the Subject Period and satisfaction of the following conditions, Common Stock will be provided to the applicable Recipient:

- (a) During the Subject Period, such Recipient has continued to serve the Company or any of its group companies as officer or employee;
- (b) There has been no prohibited conduct designated by the Plan; and
- (c) Certain other conditions deemed necessary for the achievement of the objectives of the Plan, as designated by the Plan, have been satisfied.

(5) Malus and Clawback Policy

The Company will implement a malus and clawback policy (the “Policy”) in the Plan, which is customary in executive compensation offered in Europe and the United States. Such Policy is in an effort by the Company to improve corporate governance. Under the Plan, in

the event of any foul play or illegal conduct with respect to any Recipient, the Company may revoke such Recipient's rights to receive Common Stock and/or request that Common Stock already provided to such Recipient be returned to the Company. The Policy will be enforced and prominently stated in the internal rules concerning the Plan, and also will be distributed and otherwise made available to Recipients.

4. Shelf Registration for Disposal of Treasury Stock Pursuant to the Plan

As of the date hereof, the Company has filed a Shelf Registration Statement regarding the disposal of treasury stock pursuant to the Plan. An outline of such Shelf Registration Statement is set forth below:

(1) Type of Securities Offered	Shares
(2) Effective Term	A period of two years after the expected effective date of the Shelf Registration (August 28, 2020 through August 27, 2022)
(3) Maximum Amount to Be Provided	JPY1.7 billion
(4) Use of Net Proceeds	Shares of common stock of the Company will be allotted to Recipients by deeming that there has been a contribution-in-kind of the monetary compensation claims granted to each Recipient, and no proceeds will be gained by the Company.

End

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